The Investor vs. The Bond Dealer By A. E. Ames

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OF ANY CANADIAN
FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS
DEPARTMENT, ON
PAGE 16

Vol. XXVI | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, JULY 2, 1932 | 10c a Copy; $5.00 a Year | No. 27

The Nation's Business

$200,000,000 to Create Jobs
Enormous Cost But Scheme is Failure
Beaverbrook Enters
His Presence Promises Little for Paper Investors

$200,000,000 to Aid Unemployed

STATE unemployment relief has cost this country, up to mid-June, $177,645,178. This vast sum of money has been expended over a period of 20 months, has strained the financial resources of every government of the Dominion, has piled up huge masses of state debt, added to carrying charges and made increased taxation inevitable.

While our governments have now abandoned the policy of relief works, as such, the cost of the various forms of unemployment relief which are to be followed next winter will scarcely be less than $25,000,000. Thus, the grand total of unemployment relief expenditures from the beginning in the fall of 1930 until next spring will certainly exceed $200,000,000.

* * *

LAST January when the second year's programme was only nicely underway, The Financial Post published an analysis of the results achieved, showing that the cost of giving one man one day's work was about $10 and that because of the application of day labor, at good wages, to work which could be done more efficiently by machinery, the public had not received anything like value for its money.

Admittedly that analysis was made upon uncomplete returns. At the time, the total cost was known but the returns of labor afforded were not complete, with the result that the calculation was a bit less favorable to the policy than the facts warranted. Today, however, the figures are much more complete and the 1930 relief works programme, in particular, may be analyzed with profit.

But first the latest figures for the two years 1930-31 and 1931-32 are in order. Total relief expenditures in 1930-31 were $80,836,635 of which $70,472,832 was for relief works and $10,363,803 for direct relief.

* * *

THE chief items in the total of relief works are:

Dominion $14,742,962.
Provinces $14,357,111.
Municipalities $14,671,330.
Railways $25,000,000.
Grade crossing fund $2,000,000.

This expenditure brought work to 336,939 individuals who worked 7,460,698 man days. It emerges that the cost of keeping one man in work was a little more than $9 per day. While the money has all been spent, or nearly so, the labor returns are not yet complete and the final reports probably will lower the per diem labor cost to $7 per day. This is a more favorable figure than the $10 per day result set out in the analysis of last January, but it is still a very high sum to pay for unemployment relief. As a matter of fact, it failed to meet the problem of unemployment as it existed at the time, though it probably prevented the total reaching even higher figures than it did. The men who were benefitted worked about 22 days apiece or, if placed on the basis of continuous employment, the complete relief programme would have care for only 27,000 men.

At the time the 1930 policy was begun there were some 117,000 unemployed in the country and throughout the construction period this total grew steadily until, in the following June, the number was close to 300,000. The conclusion, therefore, is inescapable that state relief works do not hold out any solution of the problem of unemployment. Other policies, not necessarily calling for huge expenditures, are needed for that purpose. One ounce of corrective policy, effecting private enterprise as a whole will do more than a ton of direct state aid, will furnish employment at a profit to employed and employer, will assist governments in increased revenues.

* * *

WHILE it is yet too early to draw deductions from the 1931-32 relief programme, the totals are sufficiently staggering to warrant attention. The estimated cost of relief works is $81,520,957 and of this the ultimate share of the Dominion will be $35,635,575. Up to mid-June the Dominion actually has paid out $18,959,580, the provinces $14,624,019 and the municipalities $6,587,993. How much work the grand total expenditure

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C.P.R. INCOME HOLDS TO LOW LEVEL TO DATE

Security Values Reflect Change in Railway Situation

ECONOMIES HELPFUL

Prospects of Earning Dividend This Year Influenced by Numerous Factors

From Our Own Correspondent

MONTREAL.—After selling at a substantial premium for many years, securities of the Canadian Pacific Railway are now quoted on the open market at approximately 50 per cent of their par value.

This condition is not peculiar to the Canadian Pacific, but is a reflection of the general trend of utility and railway security values. The company's securities too are subject to international trading, a factor which has had no small bearing on values. At the same time there is a general uncertainty over the immediate outlook of the company, which has been chiefly responsible for the present low prices set on the company's securities.

The market value of securities outstanding approximates $459,586,030. This compares with the par value of $888,991,559. This does not tell the full story from the investor's point of view inasmuch as a goodly proportion of these securities were sold at a substantial premium. In the case of the ordinary shares, for example, a block of $18,000,000 was sold in 1912 at a premium of 50 per cent; another $60,000,000 was disposed of at an advance of 75 per cent over par value in 1913; $34,002,549 was sold at 50 per cent in 1927 and $34,753,000 sold at a premium of 70 per cent in 1929.

Ordinary Shares Depressed

The bulk of interest lies in the ordinary shares which are currently selling below 10. This is equivalent to about 40 on the old stock of $100 par value, and is near to the value of 8¼ set on June 23—the lowest reported at any time in the last 32 years.

Weakness of the ordinary shares is primarily due to the depreciated earning power of the Canadian Pacific. In 1930 the company earned $2.49 a share and paid in dividends $2.50 a share. Last year earnings dropped to 63 cents a share, while dividends had been cut to $1.25 a share. In both instances the showing on the ordinary shares was considerably influenced by the appropriation of special reserves.

Reflect Lower Earnings

The failure of earnings to improve this year is reflected in a change of the dividend policy. Instead of making payments on a quarterly basis, the directors decided to consider the matter of dividends in the fall, thus placing

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Bondholders Wonder What Ontario Government Deems Equitable Terms

Ontario Power Service and Abitibi Futures Soon to be Disclosed

PLAN NOT EVOLVED

Legal and Financial Advice Being Taken as to Best Measures—O. P. S. Interest Paid

Bondholders of Abitibi Power & Paper Corp. and of its subsidiary, Ontario Power Service Corp., were somewhat heartened during the last week by the announcement of Hon. George S. Henry, Premier of Ontario, that "the Government is prepared to give early consideration to the request of the company that such steps should be taken as may be desirable to ensure the completion of the project." This consideration will be given "in the hope that it may be possible to evolve a plan whereby the canyon power development may be taken over for the province on such terms as the Government may deem equitable."

Both sets of bondholders would have preferred that the money had been available from some private or institutional source because in such a case the Abitibi canyon development would have been completed by October 1 and then the 85,000 horsepower contract with Ontario Hydro-Electric Commission, together with requirements of Abitibi Power & Paper Co., would have been sufficient to establish the Ontario Power Service bonds on a definitely safe investment basis. Abitibi, with its guarantee of completion of the project thus looked after, would not have had to pass its interest on June 1.

What Will Abitibi Pay?

The help given by the Government is therefore welcome only as a last resource but the welcome is a little dubious until it becomes apparent just what the Government will require from Abitibi Power & Paper Corp. Taking over of the project by the Ontario Government will be of advantage to the Ontario Hydro-Electric Power Commission to the extent that it will not be required to take all of the 85,000 horsepower contracted for by October 1 next. Some bondholders fear that the Government will try to finance the project and any future payments it may have to make on bonds by holding Abitibi Power to a definite commitment in taking power. Abitibi Power had engaged to purchase all power above what was taken by Ontario Hydro-Electric Power Commission to be used for steam generation at its Iroquois Falls and Smooth Rock Falls plants. As the initial stage of the development would provide 275,000 horsepower and of this Ontario Hydro was to take 100,000 horsepower by 1936, this left 175,000 horsepower for Abitibi's use.

If Abitibi Power were to pay $13 a horsepower, which was the rate

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Price Shareholders Approve By-Laws

From Our Own Correspondent

MONTREAL.—At a special meeting of the shareholders of Price Bros. & Co., approval was given to various proposals for the rehabilitation of the company as put forward by Lord Beaverbrook at the annual meeting. A by-law reducing the number of directors from 15 to 9 was approved. In reply to a question by one of the shareholders, it was stated that in the event of issuing more bonds, the new issue would not rank ahead of the existing mortgage bonds. At the same time there was no intention of tampering with bond interest, but the sinking fund payments would be deferred as suggested at the annual meeting.

Highlights of the Week

No Magic at Ottawa

A Canadian economist discusses the Ottawa conference in the light of some recent statements by Baldwin, Bennett and King. Page 9. List of delegates to conference. Page 10. Manufacturers disappoint government. Page 1.

Stable Community

London's diversification in industry, finance, education, etc., stands it in good stead in these times. A special supplement on the unofficial capital of Western Ontario is included with this issue. It is, incidentally, The Financial Post's first tabloid size supplement. Pages 17 to 28.

Gold Over the Sea

Why has a billion dollars of gold gone across the Atlantic to Europe in the last year, most of it to the Bank of France? In "The World at Large" on page 6 some of the reasons are shown.

Too Much Inflation?

Prof. Curtis of Queen's is critical of the workings of the Finance Act. He'd prefer a Central Bank. Page 12.

Panics of the Past

This week the story of how Canada came through the depression that enshrouded the country at its birth is told. Page 9.

$200,000,000

Sounds like a lot of money and it is. But that's what Canada is spending in an endeavor to create jobs through public works. See "The Nation's Business" on page 1.

Staff of Life

The problems and the opportunities before the bread bakers, told by the general manager of Canada Bread Company in an interview. Of interest to all holders of bakery securities. Page 8.

Retail Trade

Last year Ottawa took its first census of retail trade in Canada. Some of the things found out in Ottawa and Winnipeg. Page 13. London, page 28.

Bond Defaults

Investors need organization in cases of defaults. Page 1. Letters from bondholders about our previous articles. Pages 2 and 3.

From Down Under

New Zealand names its delegates for the Imperial Economic conference. Personal sketches of Coates and Stewart. Page 13.

Smelters' Assets

In cash, etc., they represent half of present price of stock. Known ore worth millions. Page 16.

Bondholders Need More Co-operation

Corporation of Foreign Bondholders Offers Precedent For United Effort to Secure Representation of Small Scattered Interests

The private investor who holds a few bonds which are in default is distinctly at a disadvantage at the present time in protecting his own interests in cases where reorganization of capital structure is essential. That the small investor, and in many cases the large investor, feels the inadequacy of his position is evidenced by the large proportion of bonds which are not deposited and which are not represented at bondholders meetings. Uninformed or uncertain as to the exact situation of the company in which he is interested, and lacking confidence in the men behind the reorganization the bondholder in many cases remains passive and does not vote his bonds, either for or against.

This situation is generally recognized and in many cases this inertia on the part of the small bondholders cannot be dissipated although every possible measure is taken to bring the bondholders together. Where a bond issue has had nation-wide and international distribution the costs of advertising bondholders' meetings attain substantial proportions. Recent advertisements in connection with Abitibi Power & Paper Co. are understood to have cost some $7,000. The advertisements calling the Burn's Co. bondholders' meeting cost several thousand dollars, yet only $2,800,000 out of $6,800,900 bonds outstanding were represented at the adjourned meeting.

Practically every interest in a large company is well organized with the sole exception of the small investor. Yet the small investor, in many cases has supplied a very substantial proportion of the money with which the business was originally financed. Probably the majority of reorganizations take full cognizance of the rights of the small investor, yet there still remains the fact that the small investor has lost part of his investment, he is not conversant with the full facts of the case, he has had no say in how the reorganization should be undertaken and as a result is a disillusioned and disgruntled man.

This may be grossly unfair to financial leaders who have given of their time and effort to achieve a fair plan of reorganization whereby investors' interests are maintained as far as possible, while at the same time the company involved is given a fair chance of making a good recovery. Yet the fact that the small investor has lost confidence in the men to whom he would ordinarily look for leadership cannot be overlooked and, multiplied by the great number of investors who have suffered losses in Canada, this lack of confidence may exert a very serious influence on future corporation financing. And, of course, there are the numerous cases where the bondholders are really unfairly treated.

A Possible Solution

The solution of this existing situation, if there is a solution, would appear to lie in some organization which would represent the large number of small investors in industrial and public utility bonds in Canada, an organization that could command the maximum of confidence on the part of these investors and that would undertake the investigation of reorganization plans with the interests of the small bondholder at heart. Whether such an organization could do more than existing agencies remains to be seen, but the plan has its precedent in the Corporation of Foreign Bondholders, which was founded in England in 1868 and incorporated in 1873 under license from the Board of Trade.

The principal object of this corporation is the protection of the interests of the holders of foreign securities. In addition, the corpor-

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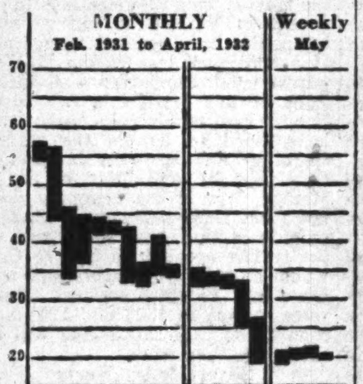
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of June 28	20.8	19.7
Week of June 21	21.6	20.0
Month of June, 1931	46.1	35.2
8 Bank Stocks		
Week of June 28	147	145
Week of June 21	149	147
Month of June, 1931	232	216
10 Public Utilities		
Week of June 28	38	36
Week of June 21	38	37
Month of June, 1931	75	63

HOWARD SMITH DOLLAR SALES HOLD UP WELL

Business Satisfactory in View of General Conditions

NO PRICE CUTTING

Maintain Plant Operations at Around Two-thirds of Capacity Up to Date

From Our Own Correspondent

MONTREAL.—Sales and operations of Howard Smith Paper Mills Ltd. from the beginning of the year to date are regarded as comparatively satisfactory in view of general business conditions.

Domestic business is on a smaller scale this year, while export demand has been affected by the world-wide depression. Consequently the market for fine paper has fallen off, though probably not to the same extent as experienced in other lines of industry.

Sales Off 15 Per Cent

The dollar value of sales of Howard Smith for the current year to date is estimated at about 15 per cent below that reported for the corresponding period of 1931.

There is not sufficient evidence at the moment to warrant an estimate on the year's operations. The summer period is always a dull one in all lines of the paper trade and until the fall season starts, it will not be possible to size up sales for 1932.

Meanwhile the volume of business to date is off only about one-half of that reported for the dollar value of sales. Mill operations are being conducted on a basis of about two-thirds of capacity. This applies to operations as a whole, of course, inasmuch as some of the machines producing the finer grades of paper are somewhat less active. Generally speaking, though, operations are regarded as being better than in most lines of manufacturing activity.

Price Schedule Stable

Trade conditions continue on a relatively even keel. Prices for fine paper are lower at present than was the case at this time last year. Despite earlier reports of price-cutting in the fine paper industry, no untoward changes have taken place in the schedules. It was stated that two of the major

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STRIKE HOLDS UP MEXICO TRAMS FOR WAGE RISE

Company Replies That Losses Rather Require Further Cut

Two thousand employees of Mexico Tramways Co. in Mexico City tied up the company's operations by striking on June 25 for higher wages and as a protest against the company's reputed plans to reduce personnel and wages. Wages were cut on March 1 last; the conciliation board found in favor of the company; this decision was reversed in one of the courts; but two weeks ago the Supreme Court of Mexico found in favor of the company. Greatly disgruntled over this adverse decision, the workers decided to walk out.

Just how serious the new strike may prove to be cannot be judged at the head office of the company in Toronto as the handling of the matter is left entirely in the hands of G. R. G. Conway, president and managing director, who lives in Mexico City and who is regarded by the board of directors as a most capable executive better able to decide what is best to do from day to day than any long distance board of directors could do. Nevertheless, Canadian directors and shareholders are taking a keen interest in what is happening and with good reason as the events of the last two decades have shown that labor troubles in Mexico sometimes lead to measures which are practically confiscatory.

Losses for 8 Years

For instance, when General Carranza captured Mexico City in 1914 considerable unrest followed which culminated, in so far as the company was concerned, in a strike by tramway workers who demanded double wages and recognition of the union. The strikers gave a four-hour ultimatum to the company. No agreement being forthcoming, the Government stepped in and took charge of the tramways from 1914 to 1919 and for a large part of that time paid receipts into the Government treasury. Agreements with bondholders were made by which the company undertook to pay back gradually arrears of interest; but recurring labor troubles, continued weakness of Mexican exchange, jitney competition and failure of the courts or the Government to give attention to claims for damages during the revolutionary period have prevented great headway being made in paying off arrears.

In practically every year of the last eight years the company has

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INDUSTRIALISTS' PARLEY PLANS DISAPPOINTING

Bennett Said to Find Little Help in Canadian Representations

TIME GROWS SHORT

Government May Decide to Break Away from Tariff Pleas of Manufacturers

By Staff Editor

OTTAWA.—In a few weeks now the last chance of Canadian business men to lay before the government their views on Empire trade, will have disappeared.

So far, the representations made by Canadian manufacturers have been frankly disappointing and unless considerable progress is made very quickly it seems likely in the opinion of close observers here, that the government will be forced to make up its own mind on matters of primary importance to Canadian business men and manufacturers, and will be forced to largely throw overboard the counsel of the manufacturers which has been for the most part of little value in determining a policy of freer trade within the Empire.

The picture is something like this.

Many Briefs Presented

For ten weeks now an overworked tariff committee which is an important branch of Canada's permanent conference secretariat, has been preparing masses of statistical and opinionative matter in an attempt to condense into neatly labelled dockets, facts and recommendations on every tariff item which will come up for discussion at the conference. Before this committee many of the leading industrial groups in Canada have presented their views and in addition experts from almost every branch of economic activity have been questioned with a view to preparing a proper background for the information of Canada's plenipotentiary delegates in July. Then, too, as is well known, individual groups such as the textile interests have been conducting negotiations on their own, with corresponding interests in Great Britain, and the results have been forwarded to the Prime Minister and in turn added to the sum total of information being accumulated by the committee.

But with ten weeks of work already accomplished and less than three weeks remaining before the conference meets, The Financial Post learns that the attitude of Canadian manufacturers as indicated by their representations to date has been highly disappointing and that very shortly either Prime Minister Bennett personally, or the government which he heads, will have to take matters into its own hands and formulate its own policies for the conference without much regard for the representations of the manufacturers.

Few Want Freer Trade

The reason is obvious, namely, that with few exceptions the important manufacturing interests have refused to offer any tangible suggestions as to how a freer trade within the Empire can be achieved, and have in fact intimated that the present Empire preference is the minimum under which they can operate and that if any change is made it must be by means of an increase in the general tariff rather than a lowering of the present British preference.

This situation leads, therefore, to the belief that Rt. Hon. R. B. Bennett will shortly be faced with the blunt fact that either he must "throw" the Canadian tariff wall he has so carefully built up in the past two years, or else he must risk the chance of having the conference dissolve without any concrete accomplishments as far as Empire trade is concerned.

Conference versus Tariff

Of course, there will be other important questions to be discussed at the conference and many are of the opinion that currency will even exceed tariff as the primary focal point of the Empire deliberations. Be that as it may, there is little question that the conference has received world publicity as the great opportunity for achieving greater trade co-operation within the Empire and it is felt that Mr. Bennett will consider its success in that direction of even greater importance than the goodwill of manufacturing interests whom he

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Inter-City Baking Profit Slightly Lower

From Our Own Correspondent

MONTREAL.—Sales and earnings of Inter-City Baking Co. have been relatively well maintained during the current year to date and in the five month period from February 1 it is understood that the decline in profits has not been marked.

It is pointed out that due to business conditions and competition in the industry earnings are slightly below the level of last year. Prospects, however, are not unfavorable since conditions in the baking industry are more settled than they were earlier in the year. Some months ago price cutting broke out on a wide scale but it has abated, leaving the general situation on a sounder footing.

Inter-City Baking operates in Toronto, Montreal and Ottawa. Earnings in the fiscal year ended January 31, 1932, were higher than those of the previous year and profits on the common were equal to $6.79 a share compared with $6.02 a share in the preceding period.

The company is a subsidiary of Lake of the Woods Milling Co. The parent owns a substantial block of the $2,129,500 of common on which dividends are paid at the rate of 4 per cent.

Aetna Life Staying In Canadian Field

Aetna Life Insurance Co., of Hartford, is another United States life insurance company with substantial Canadian interests which has no thought of quitting the Canadian field.

Word has been received by The Financial Post from M. B. Brainard, of Hartford, president of the company, affirming his company's continuance in the Canadian field. Mr. Brainard says:

"Our many policyholders in Canada have contributed so largely to the success of the company and our interests there have been so closely identified with the entire progress of the Aetna Life, that it would be difficult indeed to think of a discontinuance of that relationship.

"We have always felt that our confidence was mutual; and we shall hope to constantly receive our share of the patronage of the Canadian people."

PRAIRIE CROP LOOKS LARGE BY FORECASTS

Preliminary Estimates Range from 450,000,000 to 500,000,000 bu.

From Our Own Correspondent

WINNIPEG.—Forecasts of the Western wheat crop ranging anywhere from 450 to 500 million bushels are beginning to make their appearance. While the latter figure is a possible one from the present stand, and might even be exceeded, it is much too soon to begin thinking in terms of actual figures, and the possibilities of heat, rust, and frost must be borne in mind. At this stage a poor crop is unlikely, a fair one highly probable, and a good one probable.

With moisture conditions satisfactory the crop continues to make good progress in all three provinces, with the most brilliant prospects in Alberta, which has had exceptionally heavy rainfall. Over nearly all of Saskatchewan the present condition is satisfactory, but observers will hesitate to commit themselves for some time yet as to probabilities in Southern Saskatchewan, which was before this year, afflicted by three years drought.

Rain Still Needed

While rains this year have been sufficient to keep the crop growing well, the sub-soil had been so thoroughly dried out during the three preceding years, that much more rain will yet be needed to restore it to a normal state. It is quite possible that were a spell of hot dry weather to be encountered soon the reserve supply of moisture would not be adequate to carry the crop along for any lengthy period.

So far there is no sign of such weather developing. At some points the weather in the early part of June, although wet, was warmer than desired, with the result of forcing the crop toward maturity rather faster than usual, with a tendency toward heading out on somewhat short straw. Whether that will have any appreciable effect on yields is yet to be determined. Cut worms destroyed the crop on a limited acreage, but more of coarse grains than of wheat, and the damage, while serious to some individual farmers, will have little appreciable effect on the total.

Manitoba's crop would be considered to be in generally excellent shape, but the grasshopper infestation is a danger which cannot yet be measured. For weeks an intensive fight has been waged against them with the assistance of the Government, and thousands of tons of poison bait have been mixed and distributed to farmers from hundreds of stations. So far these measures have kept them out of crops, but generally speaking it has been impossible to prevent their development and growth in the grass lands were eggs were laid last year. Parasites and other natural enemies are now making inroads on them, but it is impossible to guess what may occur when the hoppers having attained full growth take to their wings and begin to fly.

The extreme southern part of the province also fears inroads from North Dakota.

PUBLIC VERSUS BOND DEALERS, AMES SUMS UP

Dean of Investment Bankers Outlines Charges and Defence

GIVE NEEDED SERVICE

Should Aid in Solution of Cases in Default to Protect Clients' Interests

Address By A. E. AMES
Delivered at the Annual Meeting of The Investment Bankers Association of Canada

The handling of bonds in a large way in Canada is the product of the last 25 years. The growth of that business is practically contemporaneous with the growth of the manufacture of motor cars. Forty years ago a few gentlemen in Toronto and Montreal made fairly good livings out of the purchase and sale of municipal and government bonds, but their activities were on a very moderate scale, as compared with what obtained during a later period. The business received a bad blow after the declaration of war in 1914, and there was a period of stagnation. Following upon this period of stagnation, however, came the Victory Loans, during the campaigns for which the country was organized as never before in a co-operative way. As a result the Finance Minister was furnished with many hundreds of millions of dollars and the numbers of holders of bonds in Canada ran up from, say, 60,000 before the war to over 1,000,000.

The experience gained in these campaigns showed the possibilities of the business, and for a number of years the business of investment banking was generally spoken of as desirable, and young graduates not so far advanced in their studies, tried to make sure of getting into the investment banking field. During this period new partners were taken into the older firms and new firms came into being. High salaries and commissions were paid and the business was prosperous. "And all went merry as a marriage bell." Then, in the fall of 1929 came the crash in securities generally, and, with a few temporary upward inclinations, the levels of securities have since gone down and down and down. Those who have suffered least in this connection are, naturally, the holders of high grade bonds.

Every sane business man is humble as to the value of his judgment at this time, but I am taking the liberty of speaking quite freely to you, with the hope of clarifying my own views and, possibly, being of a little use as to the lessons which should be derived from our experience. You all know the old maxim, "Experience is the best teacher," but it must have an observant pupil, or he will keep travelling around in the same circles and not make real headway.

Outlines Charges

It may be useful to face frankly some of the hard things that have been said both in Canada and in the United States against the way in which the investment bankers' business has been conducted during, say, the last five years. It is charged:

That we have not been careful enough in investigating the businesses in connection with which we have put out issues of securities;

That we have put out securities in connection with businesses where we have been too inexperienced in the

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BONDHOLDERS NEED MORE CO-OPERATION

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ation keeps elaborate records regarding the economic and financial conditions of the various States with whose debts it is called upon to deal. The council of the corporation consists of 21 members of whom six are nominated by the British Bankers' Association, six by the London Chamber of Commerce and the remaining nine are chosen by members of the council.

Acts Through Committees

As a rule the council acts through bondholders' committees associated with the corporation, but in some cases the council acts on its own initiative. In the case of a default of a foreign state, or in other cases where the rights of bondholders are interfered with, the practice of the council is, on intervention being solicited by a requisition from those interested, to convene a public meeting of bondholders, and to suggest that a committee, to take charge of the particular interests affected, should be appointed either by the meeting or by the council on its nominations. The former course is usually adopted. In the 58 years during which it has been active, the corporation has been concerned in the settlement of debts aggregating over £1,000,000,000.

Charges Are Small

In most cases the expenses involved are met by the governments concerned and no charge has fallen on the bondholders, but it is the aim of the council that the income derived from the invested funds of the corporation would some day be sufficient to cover all expenses so that no charge would be necessary on the bondholders. The invested funds of the corporation now total some £180,000 and give a revenue of £8,000 per year. The various bondholders' committees are provided with office space and skilled assistance, together with the accumulated experience of the corporation.

Just to what extent a parallel corporation functioning in Canada, for Canadian investors, in Canadian issues will succeed remains to be seen. Announcement is made this week of the formation of such an organization which aims at a minimum membership of 1,000 investors who would each contribute $10. Under the name of the Corporation of Canadian Bondholders it is announced as a non-profit, mutual protective association. Some able men institute the nucleus of the board. Given sufficient confidence by investors such an organization might go far along the lines of uniting the interests of many small bondholders and thereby achieving a bargaining power that has so far been lacking. Once this bargaining power is attained there remains the vital need for keen business acumen and financial experience and the proper use of these tools in achieving fair play for the small investor.

The Financial Post would much prefer to see such a protective body sponsored by some independent organization, like the Dominion Mortgage and Investments Association, which represents large institutional investors.

Whether or not such an organization is practical and fully qualified to represent the small bondholder, it is a fact that, appearances notwithstanding, the small investor is indirectly represented in many reorganizations. Every class of investor has been affected by the decline in security values and in reduced earning power of corporations which may finally go into default. The institutional investor, such as life insurance companies and trust and loan companies, are well organized and have qualified counsel and in many cases the interests of this class of investor are the same as those of the small investor. In such cases the small investor may benefit in considerable degree from work done, often without public knowledge, by experts employed by the large institutional investors. But their work is seldom organized as it is when a municipality defaults.

The investment banker has in most instances borne the brunt of public disgruntlement at the sorry plight that has marked the end of some investment entered into during an earlier period of intense optimism. The judgment of these investment bankers would appear to have been warped no more by prosperity than the judgment of investors large and small. A period of abnormal plenty has been followed by a similarly abnormal period of depression with the result that a 1929 capitalization becomes precariously unstable on top of a 1932 earnings statement. Without the confidence of his clients the investment banker cannot continue in business and many investment banking houses have done a very material amount of work in the interests of clients to whom they have sold securities. Much of this work remains unknown, unappreciated, yet merits praise. But the small investor who has lost substantially in a reorganization of which he knows only the superficial facts is sparing in praise. And who can blame him?

Readers Back Post's Stand On Bond Settlements

Demands Restitution

Editor, The Financial Post,

After reading over article "Bondholders Robbed of Their Fair Rights" by Junius, in your good paper of June 11, I would strongly advise every one to read and re-read before purchasing any more bonds in future. These big heads speak of sacrifice; I say restitution is the word. We bondholder sufferers cannot bear to read the papers any more. It is too distressing for words. Had there not been so much stealing, we bondholders could have got our own out of some of these concerns.

Pembroke, Ont. BONDHOLDER.
June 23.

Canadian Terminal Scheme

Editor, The Financial Post,

Just a few lines to congratulate your paper on the publicity which you gave to Junius in one of your recent editions on the subject of bond and debenture holders' rights. This is the first time I have seen anything so much needed in any financial paper and if you succeed in compelling gov-

(Continued on page 3)

No Sheaf of Bills On The First Of The Month

When You Shop With a D. A. at EATON'S

Only a statement of paid-for purchases, carefully itemized, showing your CREDIT balance.

This is the Plan:

Deposit a sum sufficient to meet anticipated purchases.

You are given an account number, and thereafter merely say, "Charge to my D.A. Number ...."

You receive a monthly itemized statement.

You can order by telephone items marked "No C.O.D. Phone Orders."

Your purchases are delivered as Paid.

It is particularly convenient for summer shopping by mail, to order supplies for camp or cottage.

Call in today for details of this efficient shopping system, at the
CUSTOMERS DEPOSIT ACCOUNT OFFICE
Fourth Floor, Queen and James Sts.
Third Floor, Eaton's—College St.

THE T. EATON Co LIMITED

The Nation's Business

(Continued from Page One)

will provide will not be known for six months or more because the programme is not yet completed. So far, however, work has been given 472,761 persons for 11,557,259 man days. Direct relief in this period has cost, so far, $13,287,586 of which the Dominion and the provinces have each paid $4,680,000 and the balance was met by the municipalities. Cost of direct relief for the year ending next September 30 will probably run two millions higher than this figure.

The trend of the state relief policy is quite apparent when these two years are compared in detail. In 1930-31 the municipalities bore a substantial share of the cost, straining their credit in so doing. But in 1931-32 they have ceased to be a factor of great importance, leaving their share largely to the provinces and the Dominion. The provinces, likewise, have been compelled to restrict their expenditures, with result that the policy gradually was placing the entire financial burden upon Ottawa.

* * *

NEXT winter, of course, an entirely different policy is to be followed. More reliance will be placed upon direct relief and where public works are gone on with they will be of a kind that lend themselves to mass employment. Large work camps will be built along the Trans-Canada highway in particular and thousands of unemployed will be put to work. These men will receive food, shelter, clothing and a small cash payment per month, between $5 and $10. If this programme is adhered to, the new policy will certainly be less costly than the old—the estimated total expenditure is placed at Ottawa at $25,000,000—and will be less open to criticism. The tendency, however, is to insist upon public works at going wages and Ottawa will have to show considerable backbone if the folly of the past two years is not, in some measure, to be repeated.

Beaverbrook's Entry Not Good for Newsprint

NEWSPRINT executives are frankly concerned as to how far Lord Beaverbrook will go, or be allowed to go, in his proposed scheme for the rehabilitation of the newsprint industry. Though details of his scheme do not appear to have been worked out, the English peer has expressed himself to different interests in the vein that the best way to place the Canadian industry on its feet is to put the operators into bankruptcy when it would be possible to deal more effectively with the companies involved.

This scheme runs contrary to the ideas of the Beatty Newsprint Committee, which has already spent many months in collecting data on the industry and manufacturers with a view to arriving at some equitable plan acceptable to all. Back of the workings of this committee is the feeling that further consolidation is necessary to bring about stability in the industry.

Such a survey of the situation as is being conducted by the Beatty committee is necessarily a slow and laborious undertaking. Consequently it is not surprising that to date no plan has been evolved by the committee for the rehabilitation of the industry. While such a plan is lacking, it is to be conceded that the committee has done valuable work and was largely instrumental in avoiding a serious breakdown in the industry last fall. Moreover, the committee, sponsored by important banking interests, has given a degree of leadership to the operators which had hitherto been absent.

* * *

IT IS reasoned that if the proposed Beaverbrook plan is carried through, the work of the Beatty committee will be nullified in that, though the same objective is in mind, a different path must be followed in arriving at the same objective. One proposes to carry out the reorganization with a minimum of disruption to the existing organization, while the other seeks to achieve an end by means of tearing down to build anew. The Beatty statement of this week was apparently intended to allay fears of warfare between the Beatty and Beaverbrook groups. But it does not alter the fact that different methods are proposed.

The turn of the wheel has placed Lord Beaverbrook in a position where he hopes to become the dominant influence in the industry. In Price Bros. and Co. he has secured control of a weapon which may make it possible for him to carry out his scheme of reorganization for the industry. In many quarters it is considered surprising that a comparative outsider should be given such wide powers. Others hold to the belief that the newsprint industry, more than anything else, needs a dominant independent force to put it back on its feet. To accomplish this they feel it is necessary to have one who can act ruthlessly in bringing recalcitrant operators into line. And in Lord Beaverbrook they see a "White Hope," who may be able to accomplish a task which to date is still uncompleted.

* * *

NO ONE will deny that the industry is in need of all the help that it can get, whether from within or outside of the country. At the same time there is the imperative necessity of continuing operations without too much unsettlement and for protecting the interests of the security holders.

The position of the newsprint industry is a ticklish one. Virtually all of the operators are on the edge of bankruptcy. It would require very little effort by anyone so desiring to place them in bankruptcy. Such a step might be the first move toward leading the industry out of the present quagmire, but there is a difference between friendly receivership designed to aid reorganization and bankruptcies forced on the industry by self-seeking buccaneers of finance.

Reorganization of more than one operator would appear necessary in order to clear the air. Such a step can be taken without ruining the companies to squeeze out investors. It ought to be done with care and primarily by those interests already identified with the task of rebuilding the industry. The present is no time for a change of leadership. There has been a growing faith in the Beatty committee. The Financial Post does not altogether agree with its scheme for a merger, but at the same time it must be recognized that the committee is of great value in holding the industry together. Why then should there be any change in plans at this late time? Why should a man of Beaverbrook's type be permitted to replace a man of the Beatty stamp?

The entrance of Beaverbrook into the newsprint picture must be regarded as disturbing. Progress had been made towards rehabilitating the industry, but Beaverbrook again brings uncertainty. The only thing that has made it possible for Beaverbrook to step in is the fact that the chiefs of the industry have failed to provide leadership.

INDUSTRIALISTS PARLEY PLANS DISAPPOINTING

(Continued from page 1)

has befriended so generously for the past two years.

For the success of the conference from a tariff point of view would seem to lie in Canada's ability to answer the question: "What can Canada buy from Great Britain?" Already indications point to the fact that Britain will be able to offer many substantial opportunities for increased outlets for Canadian goods but if most of the representations made today by Canadian manufacturers are to be accepted at face value, there will be very little that Canada will be able to offer in return.

It must not be overlooked that already British manufacturers have been offered substantial preferences in this market many of which have not been used to any great extent. Nevertheless, in order that Canada receives preferential treatment for such important items as lumber, bacon, wheat, flour, pulp, and so forth, it seems imperative that some further quid pro quo be offered for British goods in this market.

Textile Results Misinterpreted

One angle of this situation which must not be overlooked is that in many cases even the most sanguine governmental authorities did not expect that diverse manufacturing interests would reach an agreement without outside pressure being brought to bear. Take for instance the textile industry. Officials of both British and Canadian governments deprecate newspaper reports which interpret the breakdown of these conferences as foreshadowing a similar deadlock at the Imperial Conference. It is pointed out that very considerable good has been achieved by the getting together of these interests and that those closest to the picture were at no stage hopeful that an agreement would be reached without pressure being brought to bear from governmental authorities. In other words no great harm, and probably a considerable amount of good has been achieved by the textile pourparlers, and the real issue—as was to be expected—still remains for the conference to settle.

One other point which might be stressed is the fact that once the conference gets under way it will be considerably too late for any further representations to be made to the government. The conference is by no means a tariff commission or body which will hear delegations of interested parties. On the contrary it is merely a series of quiet, private meetings of the various representatives of the Empire, which will be held in camera and to which none but a few accredited delegates will be admitted. The government is being criticized very considerably in some quarters because it has not given greater publicity to the preparatory work being done at the present time. All representations by interested bodies must be made within the next week or two if they are to be given any consideration.

BONDHOLDERS WONDER WHAT GOVERNMENT

(Continued from page 1)

at which the first 85,000 to 100,000 horsepower was to be sold to Hydro, this would provide much more than the amount necessary to look after the present $20,000,000 of 5½ per cent Ontario Power Service bonds and any other securities issued to provide $5,000,000 more capital. It is doubtful, however, if Abitibi would care to pay any such amount. While this 175,000 horsepower was surplus power after most of the costs had been paid out of the Hydro contract, it paid the company to generate steam with it because of the great fuel saving. No estimate has been made as to what saving could be accomplished by power delivered at $13 a horsepower.

Limits Abitibi Demand

One student of paper and power securities estimates that it would not pay Abitibi Power & Paper Co. to take more than 75,000 horsepower and that the price would have to be such that it would show a saving to the company on its fuel costs. If Ontario Hydro-Electric could take 50,000 horsepower of the 85,000 horsepower originally considered, the combined requirements of Hydro and Abitibi might look after bond interest. Premier Henry was definite in saying, "The Government recognizes how important it is in the interests of Northern Ontario that there should be an available supply of power from the Abitibi canyon;" but just how it is to be done had not been decided as The Financial Post went to press.

Abitibi Bond Interest Waits

Until Abitibi knows just how far it will be held in the new arrangement to be made for the Province taking over the development, it is not likely that interest will be paid on the bonds. If the proposals are considered inequitable it may permit itself to go into bankruptcy but executives hope that the company may be left in a position which will permit resumption of interest. Ontario Power Service bond interest can be paid by the trustee as the latter holds the necessary money and $2,000,000 as well which can be released only when the additional funds to complete the project are available.

One proposal urged on the Government is that it should take over the bonds as they stand because of the difficulty facing even Governments in financing today and to provide with the consent of bondholders nearly $5,000,000 to complete the project. For this amount the Government would get the common stock control now held by Abitibi and it could issue with the consent of bondholders a prior security so that interest on its outlay would be serviced by actual earnings. In such a case the bondholders might also be asked to consent to receive only such earnings as were available, arrears to be made up if demand increased to an extent which gave surplus earnings. Later on when markets were better it was thought that Provincial or Hydro bonds could be exchanged, thus lessening definitely the interest charges against the enterprise.

Straight purchase of assets as in the case of Dominion Power is not expected. Dominion Power was a going concern. Abitibi canyon project is believed to represent good value for money already spent and Ontario had to pay almost 6 per cent in its last financing while these bonds pay 5½ per cent. One suggestion is that the bonds outstanding should be valued on the basis of actual money spent on the undertaking. The bonds were sold at 94.22 and $18,000,000 were actually made available.

The Government is taking legal advice and has a chartered accountant studying the situation so that, whatever it does, it may be well within its legal rights and also take account of actual worth of the project. Strachan Johnson K.C., is advising on legal matters and G. T. Clarkson, chartered accountant, on financial aspects of the situation. Negotiations on behalf of bondholders of Abitibi Power & Paper Co. and other interests involved, are also proceeding. One story is that the Ontario Government proposes to exchange Hydro bonds for Ontario Power Service but interest to be withheld for a few years on the Hydro bonds which would then pay a smaller rate of interest.

Power Demand Doubles

Ontario Hydro-Electric Power Commission by its present contract would pay $13 per horsepower for 85,000 horsepower, or a cost of $1,105,000, which would have been increased to $1,300,000 in 1936 when it took 100,000 horsepower. There was an active demand for power in 1929, which would have enabled it to sell power throughout its field for about $18 per horsepower and get a profit which would easily cover maintenance and overhead on transmission lines and other plant.

Now, however, with International Nickel operating at 20 per cent of capacity, with Treadwell Yukon closed down, with Canadian Industries deferring its expansion plans, with Falconbridge Nickel asking for less power than it had expected to use and with Sudbury showing a surplus of power rather than a deficit, it appears that Hydro could only place about 26,000 horsepower. At $18 this would bring in $468,000, leaving it to pay about $637,000 more than it received annually until demand once more increased.

This 26,000 horsepower would include a possible 10,000 horsepower reserved for use of Abitibi Power & Paper Co., at Espanola, which is now closed. It is likely that Espanola will be opened up in the fall in order to use up its large wood pile, but operation after the wood pile is used up is not likely unless demand recovers to 1929 levels again. International Nickel will take 16,000 horsepower under contract whether it has immediate use for it or not.

Although the transmission line of Hunta passes near Timmins there is little market for its power, as all the large mining companies are tied up on perpetual contract with Canada Northern Power and other companies. Prospecting would be greatly encouraged with cheap power available throughout the North and it is a favorable situation that improvement in the base metal situation will bring a considerable increase in demand for power. Ultimately it is expected that all the power will be needed and that the project may even have to be stepped up from 275,000 horsepower to capacity at 375,000 horsepower.

STRIKE HOLDS UP MEXICO TRAMS FOR WAGE RISE

(Continued from page 1)

had a loss on its tramway business, showing net income applicable to fixed charges in the last four or five years only because of the large earnings of its subsidiary, Mexican Light, Heat & Power Co. Cables from Mexico City that employees of this subsidiary had also gone on strike appear to be without foundation so far.

Gave 10 Days Ultimatum

According to an article in "El Universal" of June 15, 1932, the Syndicate of Workers and Employees of the Mexico Tramways Co. notified the Federal Board of Conciliation & Arbitration that the strike would be called on June 24 if a solution was not found within ten days. The workers cited then their demands to be that the company should recognize the validity of the labor contract of 1928, and that the company restore to its workers and employees the cuts made in the latter's wages and salaries on and since March 28, 1931. The workers also ask that the company issue passes to all permanent way employees and that wages of all workers in that department be made uniform with the maximum wages in each class as basis, that E. A. Hirschfield be dismissed by the company and that the 1928 labor contract be revised in accordance with all the benefits established by the labor law in favor of the workers.

The company is understood to claim that no cuts have been made since March 31, 1932, that it is impossible for a company registering losses on each month's business to increase wages, and that on the contrary it will be necessary to reduce them still further if the company is to continue solvent. One thing in favor of the company is said to be the strong attitude that President Calles has taken in favor of law and order. It is stated that communist influence is responsible for the present strike.

Jitneys are Problem

Unrestricted jitney traffic caused street railway companies in Vera Cruz, Monterey and San Luis Potosi to throw up their hands recently, and the jitneys are trying to handle the traffic. This they are able to do except in Vera Cruz but private companies have refused to operate at a continued loss in the face of unrestricted competition. Associations of bus drivers in collaboration with municipal authorities have tried to handle the traffic situation and workers in Mexico City ask for a similar effort in Mexico City if the company does not meet their demands. Expert opinion is that such a solution of the traffic problem in Mexico City would be only a makeshift one and could not possibly endure. There were strikes in 1923 and 1925 and it is hoped that this strike will be settled as they were.

Silver Money Hurts

The strike, however, cannot be settled by giving the men what they want unless the state takes over the system. Apart from the general depression affecting Mexico along with all other countries, the company's financial difficulties are increased greatly by the recent complete change of the Mexican monetary system to a silver basis, by the greatly increased special taxation to meet the Mexican Government's budget deficit, by the fall in value of the silver peso, by the uncertainty with regard to the future course of exchange and by the necessity of conserving the company's position with regard to accruing bond interest and sinking fund payments which have to be met out of Canadian funds.

The company has a large working capital deficit and had a loss on operations after depreciation last year and so far in 1932. The working capital deficit is mainly caused by accrued bond interest of $3,500,000. Aside from that the working capital is fairly strong.

HOWARD SMITH DOLLAR SALES HOLD UP WELL

(Continued from page 1)

producers had made substantial cuts on standard grades of bond paper, but this is not proven to be the case. No changes have taken place in the regular schedules. There are slight variations from time to time, due to special circumstances, but these changes are of a minor character and cannot be regarded as price cutting.

Last year Howard Smith Paper Mills reported a consolidated income of $1,101,716, comprising $1,048,760 profit from operations, $2,994 income from investments and $49,962 special income. In the preceding year income totalled $1,231,760. Due to larger write-offs for depreciation and depletion, premium on American exchange, it was decided after March 1, 1931, to defer dividends on the company's preferred stock, dividend on which amounted to $270,000 a year.

Held Liquid Position

This has enabled the company to maintain a satisfactory liquid position. The balance sheet at December 31, 1931, showed an excess of current assets over current liabilities of $2,144,876, an improvement over that reported at the end of 1930. Last year bank loans were reduced from $1,637,000 to $1,152,500, while subsidiary companies' notes under discount were cut from $482,751 to $31,427.

Among deferred liabilities the company had at the end of last year bank loans of $1,199,304 due January 2, 1933. All shares owned by a subsidiary company were hypothecated as collateral for this loan.

Interested in Conference

Howard Smith and the other fine paper makers in this country are watching preparations for the forthcoming Imperial Economic Conference. A fair volume of export business is done by the Canadian producers with other parts of the Empire and any change in the existing preferences would naturally be of interest to them.

PEOPLE VERSUS BOND DEALERS, AMES SUMS UP

(Continued from page 1)

problems of the business to provide sufficiently against trouble;

That we have not been careful enough to see that the client realized the risk involved;

That our ability to distribute securities and our eager competition to get issues encouraged extravagance on the part of governments and municipalities, and encouraged mergers and reorganizations and the commencement of new businesses, not all of which were well conceived;

That we have claimed to be expert in the investment business, and have in some degree been found wanting;

That we have too often shown a blind trust in the future and an optimism beyond justification.

It is held that we cannot escape some responsibility in these directions and that if the business of investment banking is to have good standing in the future we must set our house in order.

It is possible that if we were formally charged in these respects before the bar of public opinion, competent counsel would advise that a plea of guilty should be entered, and would then place before the court certain extenuating circumstances, with the plea that we be let go under suspended sentence. Some of these extenuating circumstances are:

That over a term of years there was a growing confidence and a state of great prosperity throughout this continent. Many people were making money in a larger way than ever before, and there grew to be a speculative mania throughout the continent which embraced people in every class and in every calling. There was a general disinclination to listen to words of caution and to distinguish among investments between those which were really on a safe basis and those which were of a speculative character, depending for the fulfillment of the hopes of the purchaser upon long periods of prosperity or even buoyancy.

Then, too, counsel might draw the attention of the court with considerable emphasis to the list of charges in the Canadian field, pointing out the absence of any charge of deliberate misrepresentation. He might, also, fairly add that during the period through which we have gone there has developed a degree of strain and stress against which, in some cases, even extreme caution and more than ordinary safeguards were not sufficient for protection.

Counsel might further urge that the value of securities in the hands of clients cannot fairly be determined by prices of any one day and that they should be tested on the basis of their real function, that of average income yield over a period of years.

He might, also, point out that very many old and seasoned and highly regarded investments had also suffered heavy depreciation, in common with many of the newer issues.

Responsibility Remains

However successful such a counsel might be in carrying the judgment of the court, there would, I think, still remain upon our minds a sense of responsibility which would drive us to plan so that never again, so far as we can help it, will things work out so hurtfully to the community.

One thing we can do at the moment, and that is give our most earnest and applied attention toward helping out in any situations where securities which we may have put out have gone into default, so as to see that, as far as we can influence matters, the best possible solutions are reached; so that our clients' investments may be protected to the fullest extent permitted by the circumstances.

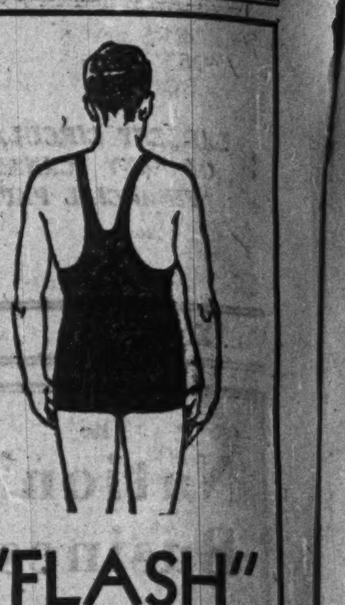
Another thing that we can do is to realize more and more fully our responsibilities to those whom we serve and upon whom we depend for profit, and in the future apply the lessons of our recent experience.

A cheerful note that may be struck is that we have been very useful to the commerce of the country in supplying capital for worthy businesses. One reason that things are not much worse than they are in this country at present is that many concerns have ample working capital to carry them through considerable periods of impaired activity. Twenty years ago such was not the case.

I believe that there is useful and profitable work ahead of the investment bankers of Canada and that they may acquit themselves with credit and exercise a legitimate function in the further development of the country.

St. James Interest Paid

The committee representing debenture holders of St. James Municipality, a suburb of Winnipeg, announce that coupons due but not paid on January 1, 1932, will be paid on July 1, 1932. Payment on coupons due July 1, 1932, is deferred.



"FLASH" Swim Suits $1.95

These all-wool suits were designed by Johnnie Walker, famous trainer of swimming champions. See them at Simpsons today. In colors of black, maroon, sailor and navy. Sizes 34 to 44. "Flash" swim suits are priced at $1.95.

Simpsons—Street Floor

Boys' and Youths' sizes 24 to 36, obtainable on the Second Floor at $1.49.

THE ROBERT SIMPSON COMPANY LIMITED

In the West Indies

Our extensive system of Branches and our experience of forty years in the field renders our service particularly helpful to those desirous of extending their business with the West Indies.

THE BANK OF NOVA SCOTIA

Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
Total Assets, $265,000,000.

ENGLISH ELECTRIC COMPANY OF CANADA, LIMITED
AND ITS SUBSIDIARY,
THE CANADIAN CROCKER-WHEELER COMPANY, LIMITED

CONSOLIDATED BALANCE SHEET, DECEMBER 31st, 1931

ASSETS

CURRENT ASSETS:			
Cash		$ 794,392.12	
Investments, at cost (market value thereof $20,000.00)		22,502.00	
Accounts receivable, less reserve for bad and doubtful accounts		82,963.17	
Raw materials, work in progress and finished stock		145,255.96	
			$1,045,113.25
DEFERRED CHARGES:			
Unexpired insurance premiums, etc.			10,431.32
CAPITAL ASSETS:			
Land, buildings, plant, patent rights and goodwill			
Balance, January 1st, 1931, (including an amount of $6,103.83 previously carried under investments)		2,172,507.46	
Net additions during the year		13,175.57	
			2,185,683.03
			$3,241,227.60

LIABILITIES

CURRENT LIABILITIES:			
Accounts payable and accrued liabilities		$ 24,494.27	
Dividend on Class "A" shares (paid January 15, 1932)		30,000.00	
			$ 54,494.27
RESERVE FOR DEPRECIATION			650,363.96
CAPITAL AND SURPLUS:			
As at January 1, 1931		$2,631,026.06	
ADD—Profit for year ending December 31, 1931, after providing for income tax, but before providing for depreciation of buildings and plant	$65,343.31		
LESS—Provision for depreciation	40,000.00	25,343.31	
		$2,656,369.37	
DEDUCT—Dividends on Class "A" shares		120,000.00	
TOTAL CAPITAL AND SURPLUS		$2,536,369.37	
MADE UP OF—			
Capital Surplus		$2,150,000.00	
Profit and Loss		386,369.37	
			2,536,369.37
REPRESENTED BY—			
40,000 Class "A" shares without nominal or par value (Authorized 50,000 shares) callable at $55.00 a share on 30 days' notice.			
40,000 Class "B" shares without nominal or par value (Authorized 50,000 shares).			
			$3,241,227.60

APPROVED ON BEHALF OF THE BOARD: R. A. STINSON, Director
GORDON F. PERRY, Director

TO THE SHAREHOLDERS:

We have audited the books and accounts of the English Electric Company of Canada, Limited and its subsidiary, The Canadian Crocker-Wheeler Company Limited for the year ending December 31, 1931, and have obtained all the information and explanations which we required; and we report that, in our opinion, the above Consolidated Balance Sheet as at December 31, 1931, is properly drawn up so as to exhibit a true and correct view of the state of the companies' affairs according to the best of our information and the explanations given to us and as shown by the books of the companies.

TORONTO, April 27, 1932.

PRICE, WATERHOUSE & CO.
Chartered Accountants.

READERS BACK POST'S STAND ON BOND SETTLEMENTS

(Continued from page 2)

ernment action on this matter you should double your circulation.

While on this subject I would like to point out that the Canadian Terminal System is the most shocking example which I have yet seen of this kind. Dummy directors are created and then retire and no statements have been furnished to debenture holders although interest has not been paid and the company refuses to make an assignment in bankruptcy on the ground that they have a large percentage of debenture holders who are opposed to bankruptcy.

In the meantime there are officials maintained at high salaries and boards, etc., supposed to be for the purpose of protecting the interests of bondholders. This article was quite right in stating that there was no reason why the bondholder should not be in the same position as a mortgagee.

I sincerely hope you will investigate the record of the Canadian Terminal System which was a bad one from beginning to end and if you wish proof of this I will be glad to assist. For example, it was advertised that there was dollar for dollar security put up for these bonds with trustees in Montreal but the dollar for dollar security turns out to be practically worthless stock and debentures in subsidiary companies owned by the same group.

A BONDHOLDER.

Peterborough,
June 16, 1932.

Thrifty People Lose

Editor, The Financial Post,

I wish to express to you my thanks for your article about bondholders. I wonder if you really realize how many hard workers and thrifty people have invested their odd thousand and are at sea completely when the interest is not paid, I personally own one thousand dollar bond in Western Steel, and when my coupon was sent in on May 1st last I simply had it returned with the intimation that the firm had gone into receivership. Along with many others I am simply a holder of odd bonds and would appreciate it if you would tell us what would happen to us if we did not turn in our bonds but held on to them. Would we have any rights at all or are we bound either to lose all or to agree to schemes we do not like. Many would like to have what little there is from the wreckage of their hopes.

J. JEROME.

Three Rivers,
June 20.

Rights of Preference Shares

Editor, The Financial Post,

The article in last week's Post by "Junius" concerning the rights of bondholders was very interesting and I hope you will have it followed up by an article on the rights of preference shareholders.

I take it that under the English decisions preference shareholders have their rights established by the memorandum of association, and the courts are not prepared to allow any essential alterations in the basis of the company.

Preference shareholders in Canada are apparently not in such a fortunate position—some even go so far as to contend, and perhaps rightly, that if a by-law creates the preference shares, a by-law can be passed to vary and change those preference shares subject to certain ratifications. In other words, that Canadian company law allows the company itself to alter the position of preference shareholders.

There is this view to be expressed, and should, I think, receive favorable consideration. Take in the case of the Canada Biscuit Co., which is a consolidation of a number of other companies, notably the Paulin Chambers Co. of Winnipeg (which in its many, many years of existence, always paid a dividend) the employees of which latter company were induced to accept stock in the Canada Biscuit Co. for their shares in the old company. Now I understand, it is proposed to cancel out the preference shares and make them all common shares.

Surely the shareholders of Paulin Chambers Co., for example, who were induced to accept preference shares in the Canada Biscuit Co. in exchange for their Paulin Chambers Co. shares, cannot be forced to submit to this new arrangement. They went into this new concern on the distinct understanding that they received preference shares, and many of them no doubt have all their life savings locked up in the shares which were subsequently transferred to the Canada Biscuit Co.

If it is good law that the power that makes can unmake in this easy manner, then it seems that this style of stock issue should be thrown in the discard.

THEO. A. HUNT.

Winnipeg,
June 14, 1932.

Protection For Investors

Editor, The Financial Post,

Allow me to congratulate you upon the article in your issue of June 18, Page 1, under the heading "Bondholders lack bargaining power." Also the article which you reprint from the bulletin of the Montreal Life Insurance Company entitled "Hot Shot on Bond Defaults."

The present situation where industries are defaulting on their first mortgage bond interest right and left, and followed by reorganizations under which the mortgage security holders are asked to make heavy concessions without any corresponding concessions from the equity holders and without any vote in the future administration of the reorganized companies, is a very serious one, and the net result is that the public have completely lost their confidence in our investment banking institutions. Lack of organization on the part of bondholders renders them practically helpless in such cases and it is certainly up to the Ottawa government to take some action in this connection, and that soon.

Publicity such as you are giving to this situation can have nothing but good results, and I wish to signify my appreciation of your efforts along this line as well as that of many other investors whom I represent.

I have always admired the impartiality of the editorials and printed articles in your paper, with the possible exception of your attitude on the Beauharnois situation, where frankly it appeared to me that you were rather in favor of the handing over of the proposition to the Montreal Power group, which I do not consider, as a debenture holder, would be in the interests of the company.

Again reverting to your above mentioned article, I feel sure that thousands of investors have read it with interest and appreciation, but unless some of them express this in writing you must have no means of realizing their attitude, and it is for this reason that I have written you. Keep up the good work, you will have wide support which may possibly be better organized before long.

W. S. ATKINSON.

Port Etchemin, P.Q.,
June 23, 1932.

Fraser Re-organization

Editor, The Financial Post,

Will you allow me, through your valuable columns, to draw the attention of the bondholders to the proposed changes that are now being urged to change the capital structure of the above company, which, if they are allowed to be consummated, will inflict a great injustice upon the present holders of the Fraser Companies' securities.

If I am not mistaken, the Bank Act, under Section 88, only allows the bank to loan on inventories, and this being so, I would suggest to the bank to take over and accept the inventories as full settlement of the company's indebtedness to them, but why make all the other parties lose their equities and principal to accommodate them.

The first proposition they make is to reduce the common shareholders' interests 90 per cent. Next, they wish to exchange present mortgage bonds for new bonds. The first two years' interest is to be suspended and, after that, only payable in five annual instalments beginning 1937, the company reserving the option of deferring payments still further in fact, they can, if they wish, defer them up to 1940. A bright outlook this will be!

They want us to give them authority and power to issue these new bonds up to a limit of $15,000,000 which is nearly double the bonds we have outstanding at present and is 50 per cent more than they were authorized originally to issue. Nor is this all, for over and above all this, they ask authority to issue $2,000,000 prior lien bonds, and, of course, these will still further lessen the value of our present holdings.

What about the three-year secured notes? First, they ask us to accept in exchange first mortgage bonds on our subsidiary company, Restigouche Company, property. Please consider this carefully, for at the present time, we have all the assets of both the Fraser and Restigouche Companies combined as our guarantee for payment. In addition, they ask us to agree to allow them to suspend and defer interest payments up to a limit of eight years if, in their wisdom, they deem this wise, and we have no say whatever.

Second: They stipulate that they may distribute the common stock of Restigouche Company to these bondholders of Restigouche Company and, by doing so, be released altogether from their guarantee. Further, they purpose taking from the holders for all time the conversion privilege which is guaranteed to them at present. In other words, they will take nearly everything from us and give us very little in return. We will be fools if we accept the present proposition.

Third: They propose and ask for authority to issue up to $1,000,000 prior lien bonds on the Restigouche property, which, I figure, will further reduce our equity nearly 20 per cent. The thing is absolutely absurd! It would be a thousand times better in the interests of present creditors and security holders to go into liquidation and appoint the trust company to manage and control the affairs of the company in the best interests of all concerned. Our company has many advantages, our new Athol mill is working to almost its full capacity (so I am informed) and is likely to continue this for some time, so that the trustee would soon bring order out of chaos.

The last statement we received from the company showed our net earnings to the end of 1931 to be $1,382,341. This was before anything was taken off for depreciation, but why should not this item be deferred for a year or two? This would (in my judgment) be better than defaulting in current interest on our promissory notes.

Let every holder of bonds, secured notes and debentures make a point of attending the various meetings called and register a vote against it and then appoint a real protective committee, who will have no other axe to grind than to look after their interests. Do not, under any circumstances sign the proposed proxy, no matter who requests you. If you sign a proxy, give it to some one who will respect your interests.

ARTHUR JONES.

Montreal,
June 25, 1932.

Compensation Only Proper

Editor, The Financial Post,

The article in your issue of June 11, by "Junius," on bondholders' rights, was most timely.

The only excuse for asking bondholders not to foreclose is the present abnormal and distressful times, but when this favor (and it is a favor), is asked, there should be some compensation offered.

The financial structure of almost all companies asking this extension of time, includes both preference and common stock. The latter usually owned very largely by the group that promoted the company and cost the owners practically nothing. The actual voting and managing power is often vested in a few "management shares."

The events of the recent past have abundantly shown that in the majority of cases there was no proper reason for a reflotation in the first instance, and in such cases my view is that the companies should be reconstructed as quickly as possible and the common stockholders left out of a picture they should never have been in. In other words the "obvious" water should be squeezed out, the bondholders given some compensating advantage, either in the form of a share of profits during the lifetime of the bonds or a stock interest, the preferred shareholders becoming common stockholders, and (this above all) the directorate reorganized so as to really represent the people who put up the money, and not the promoters.

In one company I am interested in, a majority of the directors are members of the staff. I consider this a most undesirable and even improper thing and very apt to militate against the interests of the real money shareholders.

The general manager might well be a member of the board, but why the secretary and the treasurer? They can give no real service to the company that they are not already giving by virtue of their official positions. One of the bondholders' conditions for an extension of time should always be that at least two new directors should be on the board, one representing the bondholders, and one representing the preference shareholders, and neither of them in any way connected with the promoters, or holders of the majority of the common stock.

C. E. H.

Vancouver,
June 20, 1932.

Dividends That Weaken

Editor, The Financial Post,

Enclosed please find a copy of a letter which we have today written to the Canadian Hydro-Electric Corporation which is self-explanatory. We have been disturbed beyond expression by the many developments in the investment field in the last two years, particularly as to policies such as the one complained of to the Canadian Hydro-Electric Corporation and that adopted by the Abitibi Power and Paper Corporation.

We are very strongly in sympathy with the ideas expressed by "Junius."

The Western City Company Ltd.
By G. L. Fraser.

Vancouver, B.C.
June 20, 1932.

In their letter to Canadian Hydro-Electric Corporation, Western City Company say, in part:

"We cannot understand how a dividend on the second preferred and the common stock, amounting to $2,001,000 can possibly be justified in view of present conditions, when a very large percentage of companies and particularly public utility holding companies, are suspending even the cumulative preferred dividends which have been regularly paid for some years. In most cases the dividend is still being earned currently but the reason it is not being declared is for the sake of maintaining strong cash position at a time when it is practically impossible to raise new funds in any form, whether by the issuance of bonds, preferred stock or common stock.

"We feel that it would have been a questionable policy to have declared even a modest dividend on the second preferred without having this extend to the common stock, resulting in a deficit in the surplus at the end of 1931 of $556,804 compared to the previous year and this after writing off only $594,123 for 'depreciation and amortization of storage works,' as compared to $663,776 the previous year. This drop in the amount written off for this purpose would hardly seem to be justified, particularly in view of the fact that during the year 1931 an additional $5,500,000 has been issued in the bonds of the Gatineau Power Company for construction work which would, of course, be subject to depreciation and therefore that item would logically be greater in 1931 than in 1930.

"On top of this we find the item of the amount due from International Paper & Power Company which in 1930 stood at $2,266,952, has grown to the very considerable sum of $2,556,312.

"We feel that if and when a dividend was declared on the second preferred, it would just apply on the item owing by the International Paper & Power Company which owns all of that second preferred and we are quite disturbed that such is not the case.

"In conclusion we wish to state that we are very much opposed to the dividend policy adopted by the Canadian Hydro-Electric because we view this development with the utmost distrust, which is very likely to result in time in an interruption of the dividend on the first preferred stock, particularly if present business conditions continue."

Calls It "Racket"

Editor, The Financial Post,

I am very much in accord with the articles in your paper by "Junius" regarding the apparent apathy and indifference shown by corporations recently in defaulting bond interest. You have also many other good articles and it is to be hoped that they will in general bring about some legislation on the part of federal and provincial authorities to curb shameful, unjust and unequitable trust deeds covering bond issues and the same sort of by-laws governing share securities. As your writer, "Junius," states, a bondholder has apparently no more rights than a common stockholder.

I venture this forecast: corporation financiers and investment bankers will find that the procuring of funds in the future will be almost impossible owing to the "racket" that has existed and is existing, and all to the detriment of bona-fide expansion of commerce and industry of this country.

I would like to see you hammer very much harder than you are doing, toward straight forward financing and the elimination of the financial "racket," for many promotions of the past five or six years cannot be called by any other name, especially in the light of so many recent interest defaults leaving the bond investor practically powerless.

JOHN E. RIDDELL.

Hamilton, Ont.
June 18, 1932.

Travel • Hotels • Resorts

CANADA'S DOLLAR IS AT PREMIUM IN WEST INDIES

Isles Now Recognized as Canadian Holiday Land

Two factors stand predominant in a review of passenger traffic between Canada and the British West Indies. One is the excellent accommodation offered aboard the modern Canadian ships plying this empire holiday route; the other is the continued premium at which the Canadian dollar stands over West Indies currencies.

These two elements have attracted many Canadians southward to see for themselves the wondrous British paradises that are, as one writer says, "like gems on the Caribbean." And for every Canadian that goes, several follow later.

Learning About B. W. I.

Hitherto the British West Indies, such places of charm as Jamaica, the Bahamas, British Guiana, Trinidad, Barbados and Montserrat, talked little about themselves and were little talked about in Canada. This in spite of their numerous attractions, their quaint negro population, their strange admixture of races, including Chinese, East Indians, Spaniards, French, their lure for those who love romance and the exotic; in spite of their unrivalled semi-tropical scenery and their background of turbulent history. In a word, the British West Indies, with undeniable attractions for every type of visitor, have managed to remain relatively unknown to Canada, though lying so close in distance and time of travel.

But the mode is changing; Canadians are recognizing the British West Indies, just as New Yorkers have long recognized the charms of that more northerly paradise, Bermuda, which, by the way, is on the route of the Canadian liners to which we have already referred.

Traffic Increases

The Canadian National Steamships, operators of these liners, report a traffic increase. This improvement is noticed alike in passenger lists for their special winter cruises, their regular liner voyages and their odd "vagabond cruises" aboard freighters. All in all, there has been about a 20 per cent increase in the number of Canadians who go further south than Bermuda to visit the British West Indies proper, for Bermuda is not rightly classified as being in the West Indies. Not only is there an increase in travellers voyaging past Bermuda, but the Bermuda and British West Indies passenger traffic as a whole is heavier than in former years. This in spite of the "depression," or, perhaps, because of the "depression," because a West Indies vacation is an economical trip.

Of these passengers who take the West Indies trail aboard the Lady Rodney, Lady Nelson and the other "Lady" liners of the Canadian National fleet, many are newlyweds honeymooning in the Land of Robinson Crusoe, as some call it.

Canadians Great Travellers, Tourist Travel Table Shows

Canadians are important travellers. Their country is so vast and its attractions so varied that they may find plenty of change and contrast at home. Nevertheless travelling by Canadians outside their countries involves millions of expenditure yearly.

The expenditures of foreign tourists in Canada must be viewed also in relation to the expenditures of Canadian tourists in other countries, particularly in any estimate of the effect of the tourist trade on the general balance of payments. An estimate of the expenditures of Canadian tourists in other countries has been prepared.

Canadian tourists have been divided into these classes:

(a) Canadian tourists to overseas countries;

(b) Canadian tourists to the United States by automobile; and

(c) Canadian tourists to the United States by rail and steamer.

The estimated expenditures by each of these classes is shown in the following table.

	1931 $
Via Ocean Ports:	
Saloon	3,286,000
Cabin	5,597,000
Third class	10,667,000
Total	19,550,000
To the U. S. by Automobile:	
Motorists leaving Canada by:	
Maritime provinces	708,000
Quebec	9,943,000
Ontario	17,556,000
Manitoba	1,085,000
Saskatchewan	611,000
Alberta	211,000
British Columbia	10,150,000
Canada	40,264,000
To U. S. by Rail and Steamer:	16,638,000
Total expenditures	$76,452,000

VISITORS LEAVE QUARTER BILLION WITHIN CANADA

Guests of Our Railways, Hotels, Etc., Are Liberal Spenders

It is impossible to obtain a direct record of tourist expenditures and even a rough estimate is extremely difficult to make since visitors to Canada are of all classes, engaged in different activities or forms of recreation, remaining for varying periods and with expenditures ranging from very small to very considerable amounts. Various methods have been adopted by the Dominion Bureau of Statistics for obtaining a general idea of the amount and value of this trade.

The total expenditures of tourists from other countries in Canada in the years 1920 to 1931 are estimated to have been approximately as follows:

1920	$ 83,734,000
1921	86,394,000
1922	91,686,000
1923	130,977,000
1924	173,002,000
1925	193,174,000
1926	201,167,000
1927	238,477,000
1928	275,230,000
1929	309,379,000
1930	279,238,000
1931	250,776,000

TOURISTS SPEND OVER $20,000,000 IN CHIEF HOTELS

Figures Show Hostelries Benefit from Travel Trade

In 1930 all the hotels in Canada were circularized and an estimate of the amount of money left with them by tourists from other countries was made on the basis of the returns received. It is impossible, of course to obtain statistics from the many private houses providing tourist accommodation. These as well as tourist camps divert considerable business from the hotels.

Figures for 1930 are as follows:

	1930
Prince Edward Island	$ 40,000
Nova Scotia	864,000
New Brunswick	590,000
Quebec	8,657,000
Ontario	9,905,000
Manitoba	473,000
Saskatchewan	190,000
Alberta	1,270,000
British Columbia	1,437,000
Canada	$23,426,000

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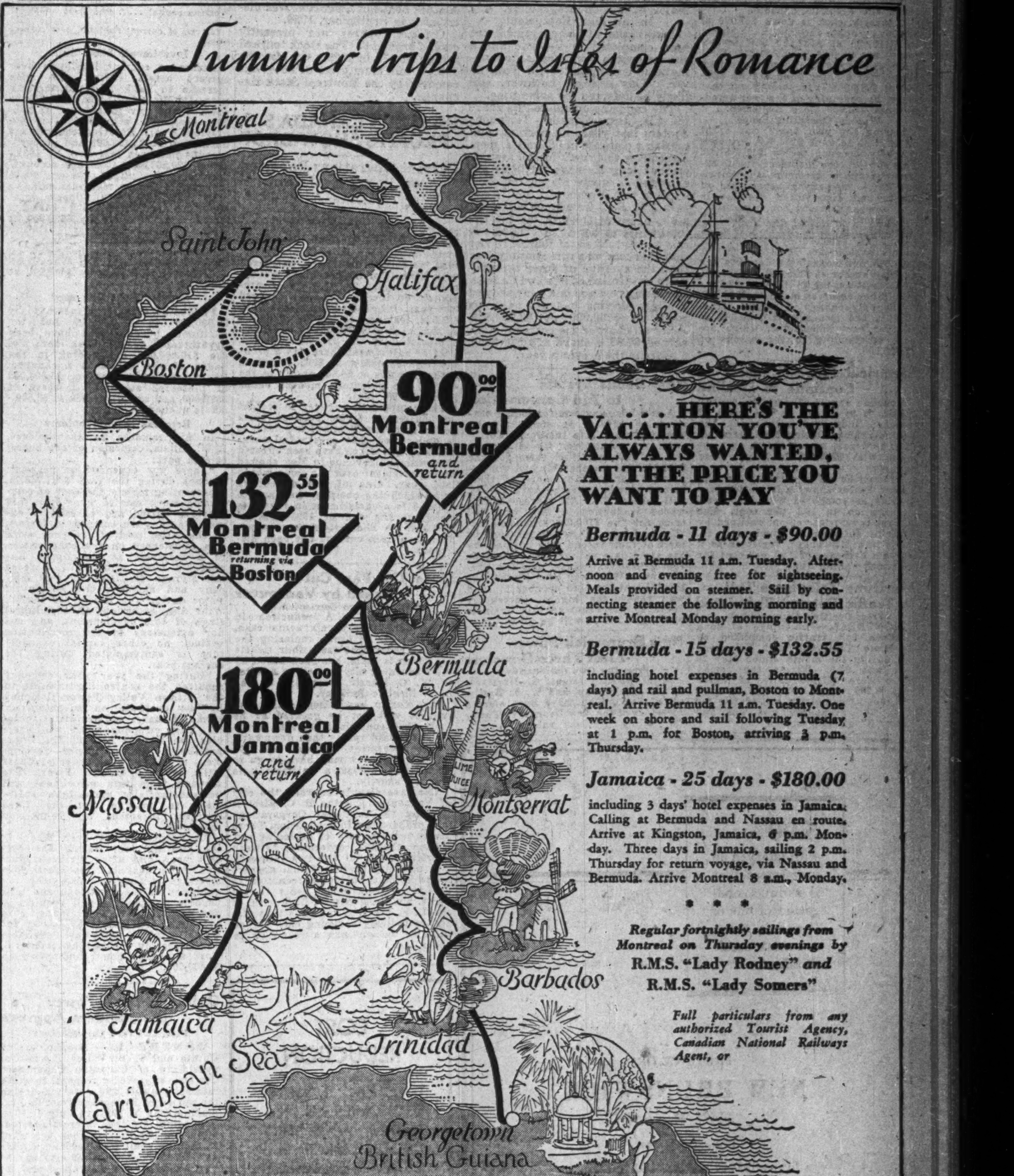
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Bermuda - 15 days - $132.55
including hotel expenses in Bermuda (7 days) and rail and pullman, Boston to Montreal. Arrive Bermuda 11 a.m. Tuesday. One week on shore and sail following Tuesday at 1 p.m. for Boston, arriving 3 p.m. Thursday.

Jamaica - 25 days - $180.00
including 3 days' hotel expenses in Jamaica. Calling at Bermuda and Nassau en route. Arrive at Kingston, Jamaica, 6 p.m. Monday. Three days in Jamaica, sailing 2 p.m. Thursday for return voyage, via Nassau and Bermuda. Arrive Montreal 8 a.m., Monday.

• • •

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Utilities and Transportation

PORTO RICO POWER EARNINGS ADVANCE DURING PAST YEAR

Rate of Dividend on Common Stock is Doubled

From Our Own Correspondent

MONTREAL. — Gross and net earnings of Porto Rico Power Co., a subsidiary of International Power Co., showed substantial gains in 1931 and after all charges earnings on the common stock were equal to $12.02 a share compared with $7.15 a share in 1930. A dividend at the rate of 8 per cent was paid on the common stock last year; in previous years the disbursement had been at the rate of 4 per cent.

Operating profits, after depreciation and taxes, were $683,548 compared with $552,310. Interest on funded debt was higher, reflecting the issuance of additional debentures and purchase of exchange. Net profit was $430,752 compared with $284,592. After payment of common dividends at double the previous rate, surplus for the year was $120,752 and profit and loss balance was increased $811,707.

Three Year Comparison

Following is a comparison of profit and loss figures for the past three years:

	1931 $	1930 $
Oper. profit, after deprec. and taxes	683,548	552,310
Int. on funded debt	†200,885	161,061
Other interest	51,911	106,657
Balance	430,752	284,592
7% pref. divid.	70,000	70,000
Common divid.	240,000	120,000
Surplus for year	120,752	94,592
Previous surplus	690,955	596,362
P. & L. balance	811,707	690,954

Working Capital

	1931 $	1930 $
Current assets	904,677	889,866
Current liabs.	1,340,598	1,691,441
Net working cap.	*435,921	*801,575

*Excess of current liabilities over current assets.
†Including exchange.

Reduce Current Liabilities

Balance sheet shows that current liabilities still exceed current assets, but this excess had been reduced to $435,921 at the end of last year compared with a similar excess of $801,575 at the end of the previous period. The reduction in current liabilities is largely due to a decrease in bank loans and accounts payable.

In assets, cash is down $47,000 at 12,406; accounts receivable are higher by $119,000 at $733,627 and investments are unchanged at $1,245. First mortgage bonds of the company purchased for sinking fund are up $26,000 at $71,960; it is pointed out that since the beginning of the year an additional $84,000 were redeemed.

Widens Operating Scope

During the year there was spent on capital account $154,679, bringing property account up to $11,778,122. This expenditure included routine extensions and betterments, the principal items comprising acquisition of plants and distribution systems in four towns, bringing the total number of municipalities now served to 34.

In liabilities bank loans have been reduced by $200,000 to $800,000. Accounts payable are down $170,000 at $221,545 and consumers deposits are slightly higher at $228,859. Depreciation reserve is up $174,000 at $2,530,779; other reserves stand at $263,752.

The only change in capital structure is the issuance of $250,000 of six per cent debentures, which are now outstanding to the extent of $1,000,000.

Electrical Power Exports Continue to Decline

Canada's export of electrical energy continues to decline as the result of lessened industrial activity in the United States. During May the value of that export was $142,000, as compared with $258,000 in May a year ago.

Production of electricity in the United States shows a large decrease in May as compared with last year, running up to 13.1 per cent. The central industrial region, outlined by Buffalo, Pittsburgh, Cincinnati, St. Louis and Milwaukee, registers as a whole a decrease of 14.3 per cent for the week ending June 11.

Maritime Telephone Toll Traffic Returns Tabulated

From Our Own Correspondent

MONTREAL.—Percentage of long distance toll traffic completed by Maritime Telegraph and Telephone Co. during the month ended May 20 last was 94.6. During the period there were 125,286 calls, of which only 6,709 were lost. The average per cent of completed toll traffic for class "A" exchanges was 93.8 and class "B" exchanges 96.6.

Public Utility Earnings

Barcelona Traction

May:	1932 Pesetas	1931 Pesetas	Increase Pesetas
Gross earn.	8,774,405	8,401,153	373,252
Oper. exp.	2,992,874	2,931,578	61,296
Net earnings	5,781,531	5,469,575	311,956
Aggre. gross from Jan. 1.	47,823,426	46,628,988	1,194,438
Aggre. net from Jan. 1.	32,303,002	30,702,008	1,600,994

Railway Earnings

Canadian National Railways

May:	1932 $	1931 $	Decrease $
Gross rev.	11,686,354	15,604,627	3,918,273
Oper exp.	10,954,559	15,163,937	4,209,378
Net rev.	731,794	440,689	*291,105
Five Months:			
Gross rev.	57,750,742	73,039,396	15,288,654
Oper. exp.	56,569,923	71,605,354	15,035,431
Net rev.	1,180,818	1,434,040	253,222

*Increase.

B. C. TELEPHONE EARNINGS HOLD IN FIRST QUARTER

Strong Working Capital Still Features Position

From Our Own Correspondent

MONTREAL. — Though gross revenue of British Columbia Telephone Co. showed a slight decline in the first quarter of the current year net profit after charges recorded a gain over the same period last year.

Working capital position at the end of the first three months was satisfactory and compared favorably with that shown at the end of 1931 when current assets exceeded current liabilities by $3,560,709. It is understood that assets included some $3,000,000 in cash and on call at the end of the first quarter.

Those close to the company point out that this degree of liquidity will stand B. C. Telephone in good stead in face of difficulties for new financing and should go a long way in taking care of expenditures on capital account in the next two or three years. It is claimed that the company has completed and paid for its major expansion programme.

Install Dial Equipment

Installation of dial equipment has been completed in Victoria and a similar switch from manual to automatic is contemplated for Vancouver. This change, however, will likely be deferred for some time.

The company completed its share of the trans-Canada Telephone System last year; its portion comprising a distance of 665 miles, from Vancouver to Crow's Nest Pass. Increased long distance facilities are expected to make for an improvement in toll revenue.

In 1931 B. C. Telephone sustained a loss of 943 telephones, leaving the total at December 31 at 116,413. It was pointed out in the annual report that this loss was considerably less than the average of other companies in the United States and Canada. Operating revenue last year showed a slight decline but net earnings were up $200,000 at $2,280,823. After all charges the common stock earned $7.93 a share against $9.08 a share in the previous year.

New Bonus System to Aid Conservation

A new bonus system for aiding conservation efforts is announced by Manufacturers Life Insurance Co.

All representatives whose production in 1931 qualified them for the $200,000 club membership and who renew 90 per cent or more of their second year business by April 1, 1933, will receive $75. All representatives whose production in 1931 qualified them for the $100,000 club membership and who renew 90 per cent or more of their second year business by the same date will get $50. The four representatives whose paid-for production in 1931 was over $70,000 but insufficient for club membership and who renew the highest percentage (over 90 per cent) of this business by April 1, 1933, will be given $25.

New Brunswick Power Elect Three Directors

From Our Own Correspondent

MONTREAL.—James G. Harrison, James MacMurray, and W. E. Scully, all of Saint John, have been elected directors of the New Brunswick Power Co., filling previous vacancies.

NO ACTION TAKEN ON POWER CORP. COMMON DIVIDEND

Lower Revenues and Drop in Security Values Take Toll

From Our Own Correspondent

MONTREAL. — Directors of Power Corp. of Canada have omitted declaration of a dividend on the common shares for the quarter ending July 31, an action forecast in The Financial Post a month ago. The stock has been on an annual dividend basis of $2 a share since November, 1930.

Deferment of dividends follows a shrinkage in revenue and in investment holdings. Last official figures issued covered the first ten months of the current fiscal year to April 30, 1932. In that time gross revenue from securities, and income from engineering and management fees, charging loss on sale of securities to depreciation reserve was $1,684,362 compared with $2,180,395 in the same period of the previous year. Net showed a decline to $1,337,458 from $1,782,423 in the first ten months of the last fiscal year. Some $600,000 of 4½ and 5 per cent debentures were acquired and cancelled during the year, which increased earnings available for dividends to a figure greater than would have been the case otherwise.

Strengthen Investment Reserve

Shareholders recently approved a segregation of capital and surplus whereby $4,469,475 will be set aside as capital and $13,500,000 will be established as distributable surplus. This move has been made to permit the company to set up a reserve against depreciation of securities.

At the end of February, 1932, it was stated that assets had a total market value of $30,000,000 which compared with assets of over $47,000,000 at the end of June, 1931. Later, declines in security markets indicate that a further shrinkage will be revealed in the report for the year ended June 30, 1932.

Stock Bonus Paid

There are outstanding 445,958 shares of Power Corp. common stock. The first payment was made in December, 1928, comprising an interim dividend of $1 a share. This was followed by similar payments in December, 1929, and July, 1930. A stock bonus of 5 per cent was distributed in September, 1929.

Common shares are presently quoted around 6. The stock touched a high of 139 in 1929. On May 25, 1932, a minimum price of 36½ was removed by the Montreal Stock Exchange.

EASTERN CANADA S. S. PROFITS SHOW DROP

Current Operations Reported on Better Scale to Date

From Our Own Correspondent

MONTREAL. — Total income of Eastern Canada Coastal Steamships in the fiscal year ended February 25, 1932, amounted to $38,462, compared with $98,231 for the seventeen months ended February 28, 1931. No depreciation or income tax was charged last year. Interest requirements were $36,324, leaving net income of $2,128 as compared with $26,608 after $25,000 depreciation in the preceding period.

After adjustment there was a profit and loss of deficit of $963 compared with a surplus of $6,608 shown at the end of the seventeen months ended February 28, 1931.

The company is engaged in freight and passenger traffic between Nova Scotia and New Brunswick points. It is understood that substantial economies in operations have been effected this year and revenue in May showed an improvement over the same month last year. One of the difficulties with which the company has had to contend is a curtailment in subsidies which at the end of 1931 totalled $131,900. To what extent these subsidies have been cut has not been disclosed.

Street Car Fare Cut Asked by Vancouver

From Our Own Correspondent

VANCOUVER. — A reduction in street car fares to six cents cash, 6 tickets for 35 cents, replacing the present seven-cent cash, four tickets for 25 cents scale, has been asked by the Vancouver city council in a letter to W. G Murrin, president of the B. C. Electric Railway.

Mr. Murrin has indicated that the request will not be granted as he feels that conditions warrant a revision upward rather than downward. The agreement between the city and the company may have to go to arbitration unless a settlement is reached shortly.

Car fare dispute between the city of Vancouver and the B. C. Electric Railway (B. C. Power Corporation) will probably go to arbitration. There seems to be no way of achieving settlement through conferences between representatives of the two interests.

A majority of the council appears to be holding out for a reduction in car fares from seven cents to six cents, but President W. G. Murrin, of the B. C. Electric, contends that statistics indicate a strong case for an increase rather than a reduction in the rates.

CALGARY POWER EARNINGS GAIN; SCOPE WIDENED

Dividends Covered — Acquires Control of Ottawa Valley Power

From Our Own Correspondent

MONTREAL.—Gross earnings of Calgary Power Co. in 1931 totalled $2,082,248, an increase of $248,833, and net earnings were up $168,309,-732 compared with the previous year. After provision for bond interest, depreciation and other charges, net profit was $601,773, compared with $627,778. Preferred dividend requirements were slightly higher, reflecting the issuance of additional stock, and earnings on the common were equal to $7.15 a share compared with $9.34 a share in 1930. Dividends on both preferred and common stocks were maintained at the rate of 6 per cent.

A feature of the report is the announcement that Calgary Power has acquired a controlling interest in Ottawa Valley Power Co. by the purchase of shares and securities. It is pointed out that revenue from this investment will be substantially more than sufficient to provide for fixed charges incurred in connection therewith. The purchase is reflected in Calgary Power's balance sheet, which shows an increase of over $2,000,000 in bank loans. Permanent financing in this connection is anticipated in the future.

Profit and Loss Figures

Following is a comparison of profit and loss for the past two years:

	1931 $	1930 $
Gross earn.	2,082,248	1,833,415
Op. ex.	772,516	692,596
Net earn.	1,309,732	1,140,819
Other income	......	16,875
Total income	1,309,732	1,157,694
Bond interest	500,000	308,252
Ex. thereon	34,083	......
Other interest	8,876	56,664
Balance	766,773	792,778
Deprec.	165,000	165,000
Net income	601,773	627,778
Pfd. divid.	351,420	301,004
Com. divid.	210,000	195,000
Year's surplus	40,353	131,774
Prev. surp.	989,376	981,766
	1,029,731	1,113,540
Bond disc.	36,091	124,162
P. and L. bal.	993,640	989,378

Working Capital

	1931 $	1930 $
Current assets	784,360	842,741
Curr. liabs.	4,047,224	1,300,758
Working capital	*3,262,864	*458,017

*Excess of current liabilities over current assets.

Investments Show Gain

Excess of current liabilities over current assets reflect the wide increase in bank loans during the year. On the other hand, the balance sheet shows investments at $3,225,946, compared with $2,000 in the previous year. Deferred charges are unchanged at $1,493,692 and property account has been increased by $327,000 to $20,207,808. Cash and accounts receivable are slightly lower while inventories show a marginal gain.

In liabilities, bank loans total $2,805,000 compared with $695,000. Accounts payable are up $626,000 at $908,154 and consumers' deposits are up $3,000 at $66,570. Reserve for depreciation has been increased by $129,090 to $1,001,111 and miscellaneous reserve is higher by $113,000 at $169,830.

Funded Debt Increased

Funded debt has been increased by $2,600,000 to $12,600,000 but the additional bonds issued have been hypothecated against bank loans and the $10,000,000 outstanding in the hands of the public is unchanged. There are now outstanding $6,000,000 of preferred stock, an increase of $500,000, and common stock at $3,500,000 is unchanged.

Remarks to Shareholders

In his remarks to shareholders, I. W. Killam, chairman of the board, said in part:

"There was expended on property account during the year $327,746.19, representing mainly the cost of completing work carried over from the previous period and of routine extensions to your company's system. In the latter part of the year work was commenced on the construction of a reservoir at the Upper Kananaskis Lake, which will increase the storage facilities of the company and augment the supply of water during the low water season. With the exception of the initial stage of this development, and minor extensions to the distribution system, no other capital expenditure is contemplated during the current year.

"During the year your company acquired the controlling interest in the Ottawa Valley Power Company by the purchase on advantageous terms of shares and securities therein. This company owns and operates the Quebec half of the interprovincial hydro-electric development of 224,000 horsepower at Chats Falls, on the Ottawa River. The revenue from this investment will be substantially more than sufficient to provide for the fixed charges incurred in connection therewith.

"A reduction has been made in the floating debt during the current year, and after further reduction from available resources your directors anticipate that the liquidation of the bank loan and bills payable outstanding will require, in due course, permanent financing to provide approximately $2,200,000, for which purpose there are available and presently pledged as collateral, first mortgage bonds amounting to $2,600,000."

Quinte & Trent Power Bondholders Approve

From Our Own Correspondent

MONTREAL. — Bondholders of Quinte and Trent Valley Power Co., subsidiary of Canadian Paperboard Co., have approved a proposal to waive interest payable and deferred during the period of 24 months from and including July 1, 1932, to July 1, 1934. It is stipulated that interest accumulated and for the previous period of 18 months shall also become payable at that time. They have also agreed that sinking fund be waived and inoperative during the years 1932 and 1933.

The original meeting was scheduled for May 28, but was adjourned until June 21. Interest has been in default since November, 1930.

Quebec Power Enters Suit Against Levis

From Our Own Correspondent

MONTREAL. — Quebec Power Co. has entered an action against the city of Levis, for $10,867 According to the contract between the municipality and the company, the city pays for electricity according to the volume used. Quebec Power Co claims that the city has used over $10,000 worth of electricity and is entering action for it.

ASSOCIATED TEL. DEFER PAYMENTS ON ALL STOCKS

Directors Deem It Advisable to Conserve Cash Resources

From Our Own Correspondent

MONTREAL.—Gross earnings of Associated Telephone and Telegraph Co. in 1931 were $13,971,709 compared with $15,200,356 for the previous year. Telephone operating revenues showed an increase, but manufacturing and sales showed a substantial decline. After expenses, depreciation, and taxes, net earnings were $4,177,161 compared with $4,948,451. Provision for all charges resulted in a net profit of $1,312,084 contrasted with $2,215,032 for the previous year.

After payment of preferred, class "A" and common dividends, there was a deficit for the year of $1,296,976. This compared with a deficit of $35,190 for 1930. It is announced that dividends on all stock of Associated Telephone and Telegraph Co. will be deferred as of July 1, 1932.

Bank Loans Are Problem

In a letter to shareholders it is pointed out that this policy has been adopted to strengthen the cash position of the company. Bank loans at the end of 1931 amounted to $6,500,000 and though these obligations have been reduced by about $1,750,000 since the beginning of the year, business conditions do not permit liquidation of the remaining indebtedness by the issuance of additional securities.

Consolidated net working capital reflects a write-off of $1,565,558 by conversion of foreign currencies into American dollars. Of this adjustment $931,238 was assignable to minority stocks of subsidiaries not owned, so the net exchange adjustment to the surplus account was $634,320.

Profits Are Lower

Following is a comparison of profit and loss for the past two years:

	1931 $	1930 $
Gross earnings	13,971,709	15,200,356
Oper. exp., deprec., & taxes	9,794,548	10,251,906
Net earnings	4,177,161	4,948,451
Less: Subs. int.	568,356	394,539
Divd. on pfd.	771,022	997,786
Min. int. of com.	711,475	898,114
Assoc. Tel. & Tel.: Int. and disc.	814,224	417,610
Sundry	......	25,369
Net profit	1,312,084	2,215,032
Less: Pension fund	394,707	102,861
Other charges	149,347	......
First pfd. divds.	449,910	407,124
Preference divds.	126,936	177,316
Class "A" divds.	711,000	621,884
Common divds.	777,160	941,037
Deficit for year	1,296,976	35,190
Add: Prev. surplus	*1,583,140	2,152,650
Bal. forward	186,164	2,117,460

*Adjusted.

Working Capital Write Off

Net working capital of $3,134,887 reflects a write-off of $1,565,558. Cash is slightly lower at $3,271,445. Notes and accounts receivable are down by $344,000 at $3,900,185. Investments in other companies are carried at $5,721,492. This figure includes a valuation of $2,100,000 given to a common stock of a holding, investment and finance corporation, whose quoted value at the end of 1931 was $750,000. Goodwill, patents are slightly higher at $7,542,486.

Fixed assets are carried at $60,897,479, an increase of over $13,000,000. Receivables from affiliated companies are slightly lower at $4,439,624 and debt discount and expense in process or amortization is carried at $2,453,566, an increase of $700,000.

Bank Loans Increase

In liabilities bank loans are up nearly $3,000,000 at $6,500,000. Accounts payable are lower by $500,000 at $1,654,373 and advances received under manufacturing contracts totals $1,332,165, an increase of $900,000.

Funded debt is up $2,000,000 at $12,900,000 and subsidiary companies' debt has increased from $8,118,320 to $11,012,818, making a total of $23,912,818. Preference stocks have been increased by $1,417,106 to $15,962,830 and common stock has increased from $1,838,630 to $3,092,200. Minority interest in common stocks of subsidiaries and applicable surplus is up $3,000,000 at $12,128,702 and preferred stocks of subsidiaries held by public is down $2,000,000 at $10,270,383.

Capital surplus is shown at $2,135,750 and surplus since dates of acquisition totals $186,164.

ROBT. MITCHELL WILL TURN OUT NICKEL PRODUCT

Enter Into Agreement to Manufacture Monel Sinks

From Our Own Correspondent

MONTREAL. — Robert Mitchell Co., of Montreal, have entered into an arrangement with International Nickel Co. of Canada whereby it will have the right to manufacture and sell Monel metal sinks in Canada.

This product has been widely advertised for some time by International Nickel, but has hitherto sold at a price which made it a luxury product. The staff of International have overcome the high price objection by designing a model which combines the advantage of low price with the rustless and attractive finish of Monel metal.

No New Capital

The Mitchell company will concentrate on the manufacture of the new model. All designing expenses have been taken care of by International Nickel. No new capital expenditures for plant are contemplated by Robert Mitchell, the existing shop equipment being fitted to turn out the new sink.

The Monel sink will be sold to wholesale plumbing houses through a new merchandise department created to sell Apex appliances. These appliances, which include washing machines, vacuum cleaners and ironers, are to be made under agreements with the Apex Electric Manufacturing Co., of Cleveland, Ohio, the first Canadian machines of which will be ready for delivery in the fall.

Placer Mining Activity in B. C.

Placer mining operations in the Quesnel section of the Cariboo district, British Columbia, are expected to reach a high pitch of activity this year, owing to the large amount of promising development work done last season, particularly in the Likely and Cedar Creek areas.

STERLING COAL CO. NET EARNINGS DROP MAY STOP MINING

Retail Business Maintained Quite Well in Mild Weather

Net earnings of Sterling Coal Co., which owns the Allied Coal Co. and the Melrose Coal Co., and of its subsidiary the Conger Lehigh Coal Co., for the year ending March 31, 1932, were $52,081 which was sufficient to pay bond interest of $44,299 before depreciation 1.1 times. After full depreciation of $43,949, the net profit was 18 per cent of the amount necessary for bond interest. This compares with 57 per cent of bond interest earned in 1931. Transactions of the year, including the depreciation write-off, have brought the company's surplus from $362,560 down to $326,393.

Consolidated Income and Surplus Account Years Ended March 31

	1932 $	1931 $	1930 $
Net earnings	52,000	†25,484	†44,999
Less: Bond int.	44,299	44,797	44,796
U. S. inc. tax settlement	......	......	10,072
Depreciation	43,948	......	......
Net profit	*36,167	*19,312	*9,869
Add: Prev. surp.	362,560	381,872	381,742
Prof. on realiz. of assets	......	......	10,000
Bal. car. for'd	326,393	362,560	381,872

†After depreciation.
*Deficit.

May Drop Mining Coal

C. B. McNaught, president of Sterling Coal Co., states that the decreased demand for bituminous coal, both for commercial and railroad purposes, adversely affected the coal mining industry. The company kept the Allied Mine, however, operating fairly steadily throughout the year.

He states that the coal reserves of the Allied Mine are now approaching exhaustion and therefore an item of $124,373 shown among the assets as "Investments in and Advances to Subsidiary Companies" will shortly require special consideration. The directors are giving careful study to the whole question as to whether mining activities of the company should be continued or not, having in mind the general conditions existing in the coal mining industry.

Retail Business Holds Up

Though fuel sales of the Conger Lehigh Coal Co., in common with those of its competitors, suffered from the abnormally mild winter, the retail fuel business continues to be the best producing division of the company. In view of the adverse factors the results are considered fairly satisfactory by the president and were obtained as a result of rigid economy.

Mr. McNaught states that the petroleum products division has practically completed the contemplated programme of pump installations and has shown an increased gallonage. He expects this division to be an increasing contributor to the company's earnings, as better business conditions return.

Working capital changes during the last three years are shown in the following table:

Working Capital

	1932 $	1931 $	1930 $
Current assets	793,700	794,129	859,475
Current liab.	558,140	547,023	615,824
Working capital	235,560	247,106	243,651
Ratio	1.42—1	1.45—1	1.40—1

There are no great changes in the item making up the working capital account during the course of the year. Dominion of Canada and other bonds are shown at $375,494 at cost, but the market value is stated to be $366,600; accounts receivable are up about $22,000 to $337,373 but inventories are down from $61,817 to $39,821; accounts payable increased $30,000 to $157,387, bills payable dropped $19,000 to $386,000. Bonds were reduced $19,300 to $727,300.

Alberta Butter Output Record

Alberta creameries in 1931 manufactured 25,000,000 pounds more butter than in the peak year of 1924, according to the final figures by the provincial publicity commissioner. The totals for 1931, as revised, are; 93 creameries manufactured 22,987,822 pounds, value $4,711,231; cheese made 1,040,021 pounds, value $118,277.

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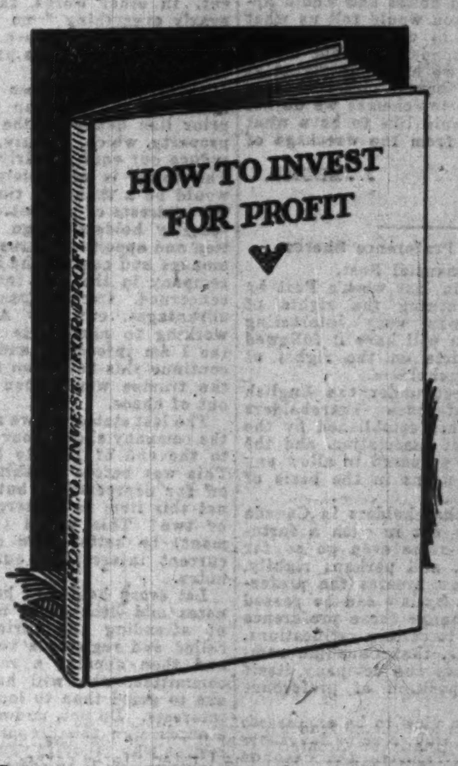
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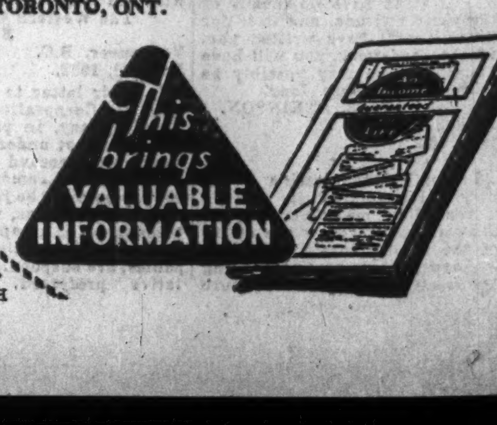


News of Investment Markets

ALBERTA FLOATS LONDON ISSUE TO FUND LOANS

First Issue Since War Offered at 98 to Yield 5.15 p.c.

CONFERENCE LOOMS

A. E. Ames & Co. Outlines Chief Fiscal Problems of Coming Empire Parley

Public offering of £1,000,000 of Alberta 5's in the London market at 98 to yield 5.15 per cent is the chief development in the past week. Public response to the offering is not as yet known but since the issue was underwritten Alberta is assured of funds sufficient to retire temporary or short-term loans on cost basis of approximately 6.31 per cent. The new loan matures June 1, 1967 while the province has the option of redeeming at par on and after June 1, 1962.

The loan was negotiated by Dominion Securities Corp., Wood, Gundy & Co. and the Imperial Bank in conjunction with Lloyd's Bank and R. Nivison Co. Alberta has not had a public offering of bonds in the London market since before the war. An issue of British Columbia inscribed stock was recently offered in London on a 5.06 per cent yield basis. With the summer, it is expected that provincial and municipal financing will not appear in any volume. There is no present indication that Ontario will come into the market in the near future.

Eyes Turn to Conference

The eyes of investment bankers generally are turned toward the Imperial Conference in the hope that out of the discussions involved there may appear some indication of a change in trend. A summary statement of the economic problems confronting the conference has been issued by A. E. Ames & Co. and deals particularly with problems concerning currency and capital.

The principal problems of the Imperial Conference are of a three-fold nature:

(1) To set up such conditions of intra-Imperial trade as will ensure the maximum movement of commodities within the Empire;

(2) To provide a mechanism which will hold within exceedingly narrow limits the exchange value within the Empire of the currencies of constituent members of the Commonwealth;

(3) To promote, as far as possible, the flow of capital within the Empire.

From these problems arises a fourth which is that of relating any proposals agreed upon to the still broader requirements of international trade and finance, which includes all countries both within and without the Empire.

The trade aspects of the Imperial Conference have already been emphasized in public discussion and little need be added. The diversity of geographical location of the units of the Empire assures a wide range of exchangeable products and their breadth of movement must finally be dictated by usual trade considerations and by tariff policies.

Need Stable Currency

Stability of currency quotations is fundamental to the promotion of trade and many plans have been suggested to achieve it. Currency stability must, of course, be distinguished from price inflation which, it is contended by some, would result from the stabilization of the Canadian dollar at a rate somewhat lower than that now prevailing in New York. Whatever may be the merit of the many plans now being suggested, the problem of achieving currency stability at whatever level may be selected is in essence a problem of maintaining currency quotations within narrow limits by (1) the movement of metallic bank reserves between the various countries of the Empire and/or (2) central bank operations involving changes in interest rates and purchase and sale of currencies and investments.

The movement of capital within the Empire is a problem of magnitude which requires deep consideration. Because external receipts and payments of a country are seldom in exact balance it is obvious that if obligations are to be met promptly a fund must be available from which excess payments can be drawn. This is one of the principal functions of the movement of capital from lender to borrower and the preservation of stable relationships in large part hinges upon it. In brief, the movement of capital enables the balance of external receipts and payments to be constantly equalized and the foreign exchange values of currencies to be stabilized.

This three-fold problem of the Imperial Conference is not of a nature which permits easy or quick solution. Whatever adjustments are affected will have consequences not easy to forecast and it must also be apparent that permanent results cannot be achieved when economic conditions and international relations are changing as rapidly as at present. Nevertheless, the Conference is an indication of good intentions and it is a first step in a deliberate process of overcoming economic depression by co-operative action. As such the conference should be judged, not so much by its immediate results, as by the spirit and knowledge with which its problems are examined.

Vancouver Kraft, Bond Investors Settle Default

From Our Own Correspondent

VANCOUVER—Holders of Vancouver Kraft Co. 6½ per cent first mortgage bonds dated May 15, 1928, have been granted a four-year moratorium on the interest and sinking fund payments on the bonds which were in default May 15, 1931.

Under the terms of the agreement the Columbia River Paper Company is to advance sufficient money to meet shutdown expense of maintaining the property, a partly completed 100-ton kraft mill at Port Mellon, B.C., up to May, 1935, receiving for such advances four-year 6½ per cent notes of the Vancouver Kraft Company. The Columbia River Paper Company can terminate the agreement on 60-day notice. The National Trust Company, Ltd., of Toronto, trustee of the Kraft bond issue, recommended granting the moratorium.

The meeting was originally called for May 5, but only about $134,500 of the total issue of $1,143,000, of bonds were represented, and adjournment was decided on. Suit has been brought by a Spokane committee of bondholders charging misrepresentation in the sale of the bonds. A Portland bondholders' committee is considering the filing of a separate suit.

F. W. Leadbetter, president of Columbia River Paper Co., is also president of Vancouver Kraft.

LACK OF BUYING FROM EUROPE DEPRESSES WHEAT

Difficulty of Buying Exchange Offsets Fewer Restrictions

From Our Own Correspondent

WINNIPEG. — Primary reason for the disappointing performance of the wheat market is light European buying.

In spite of the approaching exhaustion of home supplies of wheat in the principal importing countries, which will probably leave them shortly with the smallest supplies on hand for many years. They are getting along with light purchases and the heavy takings of North American wheat which had been hoped for at this time are not materializing.

Exchange Difficulties Loom

While import restrictions have been relaxed for some time, difficulties in buying exchange to cover wheat purchases are proving as effective as prohibitory measures in restricting imports. Canada is doing a fair business and while the Canadian carry-over will show some reduction at the end of the year it will be less than anticipated. The United States carryover will be increased by almost as great an amount. The world statistical carryover will be slightly less than a year ago, but the actual reduction in quantity of wheat in the world has probably been fairly considerable during the year, the greatest reduction being in stocks on farms in European countries.

European Prospects

Both Germany and France report that wheat crops in 1932 will be considerably larger than a year ago, but the increase will probably be fully offset by reduced production in Danubian countries. The winter wheat crop in the United States is now coming on to the market, and the small total expected, together with the fact that wet harvest weather is seriously deteriorating the quality would under more normal conditions be an important bullish factor. United States market machinery is geared to take a great deal more wheat than it will have to absorb during the next few months, but the existence of large carryovers, coupled with the fact that the farm board is still an important factor in carrying those stocks, makes the market there very insensitive to such factors.

Expiration of the French treaty eliminated the interest of French importers in the purchase of Canadian wheat, and tended to throw French business to the United States and to the Argentine. The German surtax has not applied to Canadian wheat, but in recent weeks has inhibited the purchase of barley, at a time when Germany, the greatest barley importing country in the world was decidedly short of needs. It is hoped that new arrangements will result in renewed movement of Canadian barley to Germany.

Barrymore Seamless Holmesburg Plant Open

Barrymore Seamless Wilton, Inc., subsidiary of Toronto Carpet Manufacturing Co., has not offered its Holmesburg plant for sale as reported in error in a recent issue of The Financial Post. The Holmesburg plant was bought by the company in 1922 and has been occupied and operating ever since.

COMPANY FORMED GUARD INTERESTS OF BONDHOLDERS

Large Private Investors Form Nucleus—Watch All Bond Defaults

Announcement is made this week of the formation of the Corporation of Canadian Bondholders "a non-profit organization which will act in such manner as to ensure that the reorganization or adjustment of insolvent or distressed companies shall be guided by representatives having no interests, connections or affiliations which might be adverse to the securities to be represented by this corporation." Based on the lines of the Corporation of Foreign Bondholders, which has operated successfully in England since 1873, this new Canadian organization aims to protect the small investor.

Membership in the corporation will cost $10 and should a minimum of 1,000 members not be secured by December 31, 1932, this payment will be returned. There are no annual fees in connection with the corporation. There shall be a board of directors of not more than 12 or less than five, each receiving an annual fee of $250 and a manager with a remuneration of not over $2,500. The first directors of the corporation are Campbell Reaves, Lt. Col. A. L. Bishop, Hume Blake and E. James Bennett, of Toronto, and J. Norman Dalley, of Hamilton.

Most of the directors are large private investors. Mr. Reaves and Mr. Dalley are both retired, the former having been connected with John Inglis Co. Lt. Col. Bishop is president of Coniagas Mines, vice-pres. of Coniaurum Mines; vice-pres. of John Bishop & Son and president of Electric Steel & Engineering Co., Hume Blake represents the Manning Estate investments, is chairman of the Toronto advisory committee of the Huron & Erie Mortgage Corp. and a director of the Canada Trust Co. E. James Bennett is connected with George A. Touche & Co., chartered accountants, is managing director of Dominion-Scottish Investments Ltd. and Economic Investment Trusts and a director of Standard Chemical Co.

The corporation will advertise asking bondholders of any company that has gone into default to get in touch with the corporation. From the bondholders will be selected a representative committee to which may be added one or two directors of the corporation. Such protective committee will carefully go into the circumstances surrounding each case and will act in the interests of its members.

Insurance Exchange Bldg. Want Bondholders' Help

MONTREAL.—S. W. Straus and Co., Inc., have despatched a letter to the bondholders of the Insurance Exchange Building asking them to make certain concessions in respect to payments on the serial maturities of the issue.

This letter, attention to which was drawn in the last issue of The Financial Post, states that the amount of bonds outstanding now totals $1,600,500 as against the original issue of $2,200,000. The principal payments falling due annually are heavy and the payment due January 15 of this year to the amount of $116,500 was not paid. The bondholders are asked not to enforce the security or to institute other proceedings, providing that all real estate taxes are immediately brought up to date and hereafter the net income of the property be paid over to the fiscal agents monthly and be applied on the semi-annual interest of the first mortgage bonds and toward the retirement of the principal of the bonds maturing annually.

Gleneagles Investment Will Meet Interest Charge

From Our Own Correspondent

MONTREAL.—Interest charges on the $1,000,000 of the 6½ per cent first mortgage bonds of the Gleneagles Investment Co. were not met on June 15 last. It is said that the company is taking advantage of the 60 days grace before foreclosure proceedings could be started and that before August 15 arrangements will have been made to pay the interest. At the same time it is stated that steps will be taken to meet sinking fund charges.

The general situation surrounding the Gleneagles Investment Co. is reported as being fairly satisfactory, as the apartment space is about three-quarters rented. Collections have, on the whole, been kept well up to date. The chief problem of the company is said to be the matter of renewals of rented space as from October 1 next.

Transcona Defers Interest

The committee representing debenture holders of the Town of Transcona, near Winnipeg, announce that payment of coupons due July 1 will be deferred.

Bond Tenders

8 p.m., July 10, Protestant School Municipality of Noranda. $30,000, 6 per cent, 15-year serial bonds dated Sept. 1, 1932. A. E. Lambert, sec.-treas.

July 4, noon D.S.T., Orillia, Guaranteed by the County of Simcoe, $126,764, 6 per cent installment debentures, dated July 2, 1932, as follows: $32,564, 30-installments; $2,200, 15-installments; $92,000, 10-installments.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Brazeau Collieries	*7%	15-yr.	July 1	...
Imperial Realty ..	*6%	1945	July 1	103
St. Law. Power .	*6%	1935	Aug. 1	105

*Called in part.

DONNACONA BONDHOLDERS TO TAKE OVER

Offered 50 Per Cent Equity and Control Under Reorganization

HEAVY LOSS IN 1931

Common Cut to One-tenth—Two Shares for Each $100 Face Value of Debentures

From Our Own Correspondent

MONTREAL.—Passing of first mortgage bond interest on February 1 last and inability to remedy the default, together with lack of working capital, has necessitated reorganization of Donnacona Paper Co. formerly controlled by Price Bros. & Co.

Highlight of the reorganization plan is the placing of control of the company in the hands of bondholders as long as certain obligations have not been complied with.

The first mortgage bondholders are offered approximately 50 per cent of the equity of the company in return for their absolute waiving of bond interest for two years, excepting cumulative income bonds for a further two years, waiving sinking fund payments for several years in and releasing certain municipal distribution systems from the trust deed in order to permit the obtaining of new power contracts with the Shawinigan Water and Power Co.

Price Obtained Control

Donnacona Paper Co., in its present form, came into being in 1928 when Price Bros. secured control. Public financing was carried out in the form of $6,582,000 of 5½ per cent first mortgage bonds; and $4,000,000 of 6 per cent series "A" debentures. A further $6,000,000 of series "B" debentures were issued to Price Bros. in payment of advances made by them to the company. Of the authorized common stock of 200,000 shares of no par value, 150,000 shares were issued.

The earning power of the company since its formation has steadily declined and in 1930 earnings were not sufficient to take care of bond interest after providing for depreciation. During the past year, the loss, after charging interest on bonds and debentures, and providing a reserve of $574,875 to bring pulpwood inventories to estimated current values, but before providing for depreciation and depletion, was $835,931.

Lacks Working Capital

The balance sheet as at December 31 last showed current assets at $1,361,779 of which $922,563 represented inventories and the balance accounts receivable. Current liabilities aggregated $2,062,909, of which amount $750,000 represented a secured bank loan and $852,698 due to associated companies.

Reduce Capital Stock

The scheme of reorganization provides that the issued capital stock be reduced from 150,000 to 15,000 shares; shareholders retain one share for each 10 shares now held.

This leaves 50,000 shares of the authorized capital unissued which, with the new 15,000 shares, makes a total of 65,000 shares. It is proposed to increase this number to 244,892 shares, divided into 121,804 class "A" shares and 123,088 class "B" shares.

Both classes of stock will rank equally as regards dividends and return of capital on any distribution of assets of the company whether by way of winding up or otherwise. The 15,000 shares to be retained by the present shareholders will be class "B" shares.

Debentures Get Stock

It is proposed to give the holders of "A" and "B" debentures two class "B" shares for each $100 principal amount of debentures held by them.

In respect to an unsecured claim of Price Bros. against the company aggregating approximately $804,393, Price Bros. will be given two classes "B" shares for each $100 of the amount of such claims.

Bondholders Given Equity

The bondholders will continue to hold their securities but will be given all of the class "A" shares—numbering 121,804, or 18½ shares for each $1,000 principal amount of bonds held in return for certain concessions. These concessions follow:

(a) Cancellation of two years interest on the bonds.

(b) Pay interest in the following two years—August 1, 1934 to February 1, 1936—only out of net income earned after February 1, 1934, such interest to be cumulative and accumulations thereof to bear interest at the rate of 5½ per cent.

(c) Cancellation of sinking fund payments until 1935 and that failure to pay sinking fund charges for ensuing 3 years will not constitute a default. Failure to pay sinking fund on February 1, 1939, will constitute a default.

Class "A" Voting Stock

The class "A" shares given to the bondholders will carry exclusive voting rights so long as (1) Cumulative interest on bonds for two years ending February 1, 1936, or any part thereof shall remain unpaid; (2) Company in default of any sinking fund payments due February 1, 1936-1939. (3) When the net working capital of the company is less than $1,000,000.

After these obligations have been met the two classes of stock are to be merged and have equal voting rights.

Distribution of Capital

Following is the distribution of the capital stock under the reorganization plan:

Bondholders	121,804 "A" shs.
Debentures	92,000 "B" shs.
Price Bros. claim	16,088 "B" shs.
Stockholders	15,000 "B" shs.
Total	244,892 "B" shs.

New Board of Directors

It is proposed to set up a board of seven directors who will be elected to hold office for two years. The names of the proposed directors will be submitted for approval at the meeting of the bondholders to be held in Montreal on July 25.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Cost Basis
Forest Hill Village	May	Dominion Securities	5 & 6%	5, 10, 15, 20-ins.	$423,782	95.48	.....
Verdun R. C. School Comm.	May	A. E. Ames & Co.	6%	5-serial	181,000	98.	6.75%
Hamilton Separate School	May	Dyment, Anderson & Co.	6%	1951	60,000	96.50	6.31%
Truro, N.S.	June	Acadia Trust Co.	5½%	30-yr.	58,600	.....	5.85%
Victoria B.C.	June	Wood, Gundy & Co., Pemberton & Son	6%	15-yr.	800,000	.....	*6.50%
Provincial—							
Prince Edward Island	May	Gairdner & Co.	5½%	1937	$250,000	.....	.....
Alberta	June 23	Dominion Securities, Wood, Gundy & Co., Imperial Bank	5%	1967	£1,000,000	*98.	.....

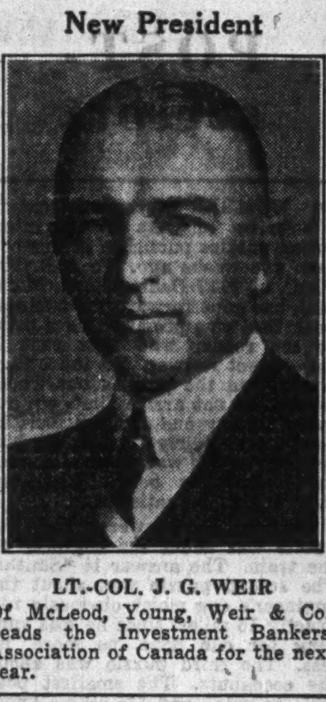
*Offering price.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1931 $	Net Income 1930 $	Common earnings 1931 $	Common earnings 1930 $	Curr. divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Standard Fuel Co.	Mar. 31	113,252	146,668	0.46	0.99	...	571,029	557,145	...	...	...
Porto Rico Power	Dec. 31	430,752	284,592	12.02	7.15	...	811,707	690,954	...	...	...
Calgary Power	Dec. 31	601,778	627,778	7.15	9.34	6	993,640	989,378	1.20	...	5
Associated Telephone	Dec. 31	1,312,084	2,215,032	...	...	...	186,164	2,111,460	...	...	...

New President



LT.-COL. J. G. WEIR

Of McLeod, Young, Weir & Co., heads the Investment Bankers' Association of Canada for the next year.

C. P. R. INCOME HOLDS TO LOW LEVEL TO DATE

(Continued from page 1)

dividend action on a half-yearly basis.

Returns for May, 1932, indicated a decline of $336,884 in net operating income as compared with the same month last year. Net revenue last month amounted to $737,364 as against $1,074,249 for May, 1931.

For the five months ending May, 1932, gross operating income totalled $47,548,497, a drop of $12,039,503 from the same period a year ago. At the same time the company was able to cut operating expenses to a marked degree, so that net revenue this year to date amounted to $3,673,263, a decline of $1,213,272 from that reported for the January-May period of 1931.

Reflects General Conditions

The showing for the five months is not impressive in comparison with that reported for corresponding periods in other years. Considered in relation to the change in operating conditions and the heavy decline in the volume and freight and passenger traffic, however, the showing is as good as can be expected.

Unless there is a marked improvement in operations in the last half of the year, earnings available for distribution on the ordinary shares are likely to be very small. Crop prospects hold out considerable hope at the moment. If a large crop is secured and marketing carried out promptly, the operating income position of the company should undergo a marked change for the better. A good crop should also have a beneficial influence on many lines of manufacture, all of which should tend to strengthen the company's operating position.

Bearing on Dividend

Aside from the crop, there are a number of factors which have a direct bearing upon earnings this year — factors which will largely determine whether or not there will be sufficient net revenue to warrant continuance of dividends on the ordinary shares.

Since the decline in revenue became pronounced, the management has taken steps to bring about a reduction in operating expenses. To that end salaries were cut 10 per cent last year. Negotiations were entered into with the running trades, ending in an agreement to reduce wages 10 per cent from December 1, 1931, to January 1, 1933. This latter change did not have any appreciable effect on earnings last year, but should have a more decided bearing this year.

Expenditures on supplies and materials have been carefully watched and other measures taken with a view to offsetting the decline in gross revenues. To date such steps have been relatively successful, as whereas gross has declined $12,039,503, expenses have been cut $10,826,230.

Considerable Subsidiary Accounts

The income account also is likely to be affected favorably by the consolidation of subsidiary railway companies' accounts with those of the parent company. At the beginning of last year operations of the Kettle Valley Railway Co. were consolidated with those of the Canadian Pacific. At mid-year operations of the Algoma Eastern, Fredericton and Grand Lake Coal and Railway and New Brunswick Coal and Railway were also included, while from the beginning of this year accounts of all other subsidiary steam railway companies whose lines are leased to the Canadian Pacific have been incorporated. The operating results of the electric lines—Grand River Railway and Lake Erie and Northern Railway — will be carried into special income.

While it is true that some of these subsidiary lines are operating at a loss after all prior charges, it is expected that the net operating results will be such as to add to the revenue of the parent company. It remains to be seen just how large an income will be derived from that source.

New Contract Agreement

Another development affecting income is the arrangement announced between the company and land contract holders during 1932. In order to lighten the burden of its western land contract holders, in order to induce contract holders to stay on the land and to induce fulfilment of their contracts, generous concessions were made by the company.

The revenue ordinarily derived from this source goes to meet interest and sinking fund charges on the $21,899,389 of 4½ per cent secured note certificates. The land department recorded a small loss last year after all charges.

Smelters Dividend Important

One of the principal sources of income in the special income account of the company, is in the form of dividends or other disbursements from its stock holdings in Consolidated Mining and Smelting Co. At the end of last year the Canadian Pacific held 291,034 shares. On January 15 last a stock dividend was declared, netting the company 14,551 shares.

Last year Smelters, in addition to the stock dividend, also declared a cash dividend of $2.50 a share. The half-yearly payment was deferred a short time ago. This was equivalent to $363,792 on the Canadian Pacific's holdings as at the end of 1931.

It is possible that with an upturn in the market for metals, Smelters will declare the $2.50 dividend in cash before the end of the year. Failure to do this will affect the Canadian Pacific's income by approximately $725,000 to $750,000.

Miscellaneous Income

Under its special income account, the Canadian Pacific includes revenue from allied lines of activity, such as express, telegraphs, hotels, news stands, restaurants, steamships, etc. It is still too early for any forecast on how these departments will shape up for 1932. The Canadian Pacific Express was not able to pay in full the revenues guaranteed to the company in 1931 under the terms of contract for express privileges. A new contract has been drawn up whereby the Canadian Pacific receives the total net earnings of the express company derived from its operations on the railway.

Operations of the Canadian Pacific Steamships were not overly successful last year, due to the sharp curtailment in ocean passenger and freight traffic. A reduction in fares has been the means of stimulating passenger business of late, but it remains to be seen whether the heavier movement will be maintained.

Other departments have no doubt been influenced by the depression and it is hardly to be expected that any marked improvement will take place in their revenues, rather is it to be expected that revenues will show a falling off, unless the cut in expenses has offset the decline in gross revenues.

Soo Line Obligations

In the last financial statement it was pointed out that Canadian Pacific had to advance $1,400,000 to Minneapolis, St. Paul and Sault Ste. Marie Railway in order for that company to cover the half-yearly interest on its first consolidated mortgage bonds due on January 1, 1932. Of this sum, $900,000 was obtained by loan from the National City Bank of New York and the balance from the First National Bank of Chicago, on the Canadian Pacific short-term promissory notes.

The Soo Line is controlled by the Canadian Pacific, which in turn guarantees interest on some $80,605,000 of its subsidiary's funded debt. Earnings of the company were some $4,014,675 short of meeting all prior charges last year.

Income of the Soo line has been on a limited basis and earlier in the year the company applied to the Interstate Commerce Commission for a loan of $2,990,173 to be used in paying bond interest due in the six months following. This loan was granted in March, 1932. When these funds are exhausted it may be necessary for the Canadian Pacific to again come to the assistance of the Soo line in meeting its funded debt obligations.

Await Royal Report

A factor which will have an important bearing upon the outlook for Canadian Pacific securities is the report of the Royal Commission on transportation. This body is preparing its report, which should be made available to the public early in the fall. No information has been forthcoming as to the probable contents of the report, but it will no doubt have a definite bearing upon future operations of transportation companies in this country.

WEIR HEADS I. B. A. FOR COMING YEAR

Annual Meeting at Lucerne-in-Quebec Has Good Attendance

Meeting at Lucerne-in-Quebec on June 23-25, the Investment Bankers' Association of Canada held its sixteenth annual meeting with 63 representatives of Canadian investment banking houses present. Reports presented by the various committees outlined the activities for the past year which brought many problems, both new and old. Members of the Montreal Bond Traders' Association took the opportunity of travelling to Lucerne en masse to greet members of the recently formed Toronto Bond Traders' Association.

Officers and executive of the Investment Bankers' Association of Canada for the year 1932-1933, were elected at the annual meeting as follows: President, Lt.-Col. J. G. Weir, Toronto; vice-pres. W. C. Pitfield, Montreal; R. W. Gouinlock, Toronto; John Gillespie, Winnipeg; Stanley Burke, Vancouver. J. W. Mitchell, Toronto, was elected hon. president, and J. A. Eccles, Montreal, hon. vice-pres. The executive committee for the ensuing year includes:

D. K. Baldwin, F. D. Chapman, W. T. K. Collier, A. B. Culver, Frank Mead, W. C. Pitfield, E. Savard, Montreal; A. F. Mackintosh, Halifax; Jas. MacMurray, St. John; T. Andison, F. J. Coombs, P. R. Flemming, R. W. Gouinlock, J. L. Graham, J. G. Singer, J. G. Weir, A. H. Williamson, Toronto; Paul G. DuVal, John Gillespie, W. J. Ralph, J. G. Young, Winnipeg; F. J. James, Regina; H. M. E. Evans, Edmonton; A. M. Brown, Stanley Burke, L. Read, Vancouver.

At the annual dinner over which A. H. Williamson, retiring president of the association presided, A. E. Ames, of A. E. Ames & Co. and Hon. C. A. Dunning were the principal speakers. Mr. Ames address is printed verbatim elsewhere in this issue of The Financial Post. Mr. Dunning expressed the hope that the Imperial Conference would go far in cementing the ties of Empire and reviewed the economic conditions of the past few years.

DROUGHT IN EAST AFFECTS ALL CROPS

Compared with the same date last year, crop prospects are distinctly lower in the Maritimes and eastern Canada and much improved in the western provinces. The first cutting of hay will be considerably below average in the east due to dry and cold weather. Spring-sown crops have also been affected by June drought. With more rain and higher temperatures, other crops may produce average yields. Excepting western counties, Ontario fields are badly in need of rain. The Canadian fruit crop, with some notable exceptions, has suffered from a variety of depreciating causes in recent weeks and will not be as large as expected.

The western grain crops have maintained their condition fairly well in a period of spotty rainfall and higher temperatures. The likelihood of heavy damage from cutworms is now past but grasshoppers, now migratory, are still dangerous.

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McINTYRE RAISES ITS DIVIDEND RATE TO $1.50 ANNUALLY

Shareholders at Annual Meeting Told Platt Section a New Ore System

An increase in dividends by McIntyre Porcupine Mines, from $1 per share annually to $1.50 annually, was announced by J. P. Bickell, president of the company, at the annual meeting of shareholders held in Toronto, on June 29.

In the June 4 issue of The Financial Post was the first public intimation that higher dividends would be forthcoming and the rate prognosticated of $1.50 per share confirms the authenticity of the information.

Characterizing previous meetings of the company the large harmonious assembly of shareholders voiced their confidence in the management of the company and expressed approval of the policy of the directors in the matter of dividends.

In addressing the shareholders, Mr. Bickell reviewed the struggle of the company in the early years of its existence and retraced step by step the conservative policy that had made possible the large profitable gold producer the company was today. The policy conserving its liquid assets had made possible the acquisition of the Pearl Lake, and later, the Jupiter, Plenaurum and Platt Veteran claims. How well these acquisitions, except the Platt, have turned out is a matter of history and now it appears that this property, purchased solely as a geological bet on the advice of the company's engineers, will prove equally advantageous, Mr. Bickell said. All these properties were developed and equipped out of earnings and 62 per cent of the mine profits have been disbursed as dividends.

Write-offs Not Investment Losses

The company earned surplus is invested in government bonds and in mining companies operating in Canada, Mr. Bickell told the shareholders. About two-thirds of the company's investments are in bonds, and the write-offs made the past four years, totalling $1,551,013, were not principally due to the depreciation of these investments, but rather due to investments in other properties. The company's position in respect to investments was not a trading one and the faith has not been lost that the investments are most desirable.

Enlarging on the dividend policy, Mr. Bickell told the shareholders that in recommending the increase it was not done before he felt reasonably sure that it could be maintained. Earnings from exchange due to depreciated currency had made it possible to increase the dividend at the present time and should the present situation with respect to exchange continue and it was possible to further increase the dividends it would be made as an extra bonus.

Taxes and workmen's compensation are making further levies on the cost of operations, said Mr. Bickell. Increased taxes by the Provincial and Federal Governments if they are of a permanent nature will prevent the company from venturing in the field of mining in the future as far as it has in the past. Workmen's compensation at the present time was estimated to cost 10 cents per ton of ore treated, while the total cost had amounted to about $88,000 and it may be expected that further substantial levies will be made in the future unless something is done to lessen this liability. In this respect, Mr. Bickell said, McIntyre has added every facility in the new centralization programme to mitigate the evil.

R. J. Ennis, general manager of the company, reviewed the programmes completed the past year and spoke in a most encouraging manner of the future of the property. The Platt Veteran section appears to be a new ore system and, as such, held promise of being of the greatest importance for the future. Ore reserves are expected to show an advance in next year's report, Mr. Ennis said.

Pulpwood Operations Show More Activity

From Our Own Correspondent

MONTREAL.—Pulpwood operations are beginning to show more signs of activity. Reports from Port Arthur say that during the past month those interested in the pulpwood business have been contracting for deliveries. The Hammermill Paper Co. have issued contracts for 30,000 to 40,000 cords, principally to the small wood lot owners. While the price is low, $6.50 to $7 a cord, this should allow a small margin of profit.

At Shawinigan Falls pulpwood is now being floated down from streams above Grand 'Mere. Between 90 and 100 men will be employed at the Gelgo slashing mill at Shawinigan Falls during the summer.

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ADVERTISING RATES
Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—25c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE
Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Brittain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1. E. J. Dodd, Director.

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TORONTO, JULY 2, 1932

MONETARY POSITION WEAK IN CANADA?

PROF. C. A. CURTIS, of Queen's University, who has been for some years a critic of certain phases of Canadian banking, has made an analysis of the monetary situation in Canada, which has just been published by the Journal of Political Economy, Chicago. Prof. Curtis finds underlying monetary weaknesses in Canada; he asserts that our monetary structure has been progressively impaired in recent years; and that the only permanent solution of the main difficulty lies in the establishment of a central bank.

Prof. Curtis's main complaint is against the operations of the Finance Act. Under this act, Canadian banks are able to take certain of their paper to the Minister of Finance at Ottawa and, after it has been approved by the Treasury Board, it can be discounted for Dominion notes. These Dominion notes multiply the banks' ability to loan money. Thus there are great possibilities for inflation and deflation of credit in the present system. Prof. Curtis' objection is that the procedure is too automatic, that the treasury board, consisting of five politically appointed cabinet ministers, but slightly qualified for financial or credit control, and advised by a group of efficient but not financially expert civil servants, is hardly a fit body to exercise credit control in a vast Dominion.

By way of illustrating what he considers to be the weakness of the system. Prof. Curtis shows how the borrowings under the Finance Act rose very rapidly in 1928 and 1929 at a time when the banks were largely increasing their call loans in New York as well as in Canada. This vast expansion of credit, so much of it which was used for security loans, was not justified by our available gold supplies or by the underlying monetary situation of the country and yet no attempt was made to use the rate charged the banks as a tool to control this credit inflation.

Prof. Curtis also makes it clear that at the time this credit inflation was going on, Canada's gold position was weakening and he thus leaves the inference that the unskillful operation of the Finance Act permitted the Canadian banks to borrow the Dominion's gold and ship it outside of the country for their own profit. In any event, Prof. Curtis feels that the Canadian monetary situation has been seriously weakened and he sees little hope of an early restoration of the gold standard.

His main conclusion is that, while the Dominion Government, through the Finance Act, can expand and contract the whole credit structure of the Dominion, it is not doing so with any intelligently conceived purpose. Before the war the banks controlled the expansion and contraction of credit and did it rather well. Now a group of civil servants do it but they do not realize the responsibilities involved and, as a result, conscious control of credit in Canada has fallen below two stools. Prof. Curtis argues the need for a properly organized Central Bank to exercise such control and to strengthen the country's monetary position and he is encouraged by Premier Bennett's hint that such a bank may follow from the revision of the Bank Act in 1933.

With Prof. Curtis's conclusion there will be some disagreement and even those who are aware of the obvious advantages, under certain conditions, of a Central Bank are somewhat fearful of the ability of such an institution in Canada to remain free from dominance either by Wall Street or Threadneedle Street, or for that matter, St James Street. But when Prof. Curtis says that Canada needs a MacMillan Report he is on solid ground. There has never been any comprehensive independent study by qualified persons of the Canadian monetary and banking system and such a study would be thoroughly useful at a time when depression has revealed some possible weaknesses in our present system of credit control and monetary backing.

TECK-HUGHES MAKES NOTABLE CHANGES

ANNOUNCEMENT by officials of Teck-Hughes Gold Mines that the president's office will be established in Toronto, thereby affording easier access by the company's shareholders, will be greeted with warm approval in Canada.

Canadian shareholders of Teck-Hughes have long felt that officials have given too little consideration to their wishes respecting this great Canadian gold producer, in which they own the majority of the stock. It has been difficult for most shareholders to understand this attitude by Teck-Hughes officials as there is recognized among its board some outstanding industrial and financial leaders, men who could not have any purpose in displaying an indifferent attitude to Canadian shareholders.

Over two years ago The Financial Post pressed officials of the company to put Canadian directors on its board, to hold its annual meetings in Canada and to give shareholders more details regarding mine developments and particularly about ore reserves. By degrees these objectives have been realized. Two Canadians have been placed on the board, men of recognized integrity, though not familiar with mining.

The establishing of a Toronto office will go a long way toward correcting the complaints voiced by the Canadian shareholders, but the elevation of the company's general manager, D. L. H. Forbes, to the presidency of the company and establishing him in a Toronto office has been received with mixed feelings by the mining fraternity. Mr. Forbes is recognized as a capable and even outstanding mine operator. He has brought the property along during the past 15 years from a hopeless penny mine to one of Canada's largest and most profitable gold producers. Mr. Forbes' elevation to the presidency of the company is a fine reward for the services he has rendered the company, but it will be unfortunate if, as president, he gives less time to practical operations.

The president of a company must be essentially a public relations man—one that not only understands the mine and the policies of the company, but who is diplomatic and keeps the shareholders informed as to the company's policy and the progress the property is making. Mr. Forbes is a mining man and mine operators have never been known for diplomacy.

In his new position Mr. Forbes has a great opportunity to reverse the policy of the company respecting information for the shareholders—a policy that has not been of his own making. How well he will adapt himself to the new condition is being watched with hopeful anticipation by Teck-Hughes' shareholders in Canada.

BUT DO HIGH TARIFFS INCREASE PRICES?

A GREAT many newspapers in Canada are publishing articles revealing the very high tariffs now applicable against British goods entering Canada. Extreme cases of tariff imposts as high as 125 per cent are cited. The articles, particularly the series now running in the Toronto Star, make it appear that the consumer is being heavily taxed to keep Canadian industries thriving.

All these articles overlook the vitally important point to the Canadian consumer; namely, are prices to the Canadian consumer increased to the full extent of the tariff, or to any undue extent? In other words, is the Canadian manufacturer taking undue advantage of the tariff to charge exorbitant prices to the public?

Canadian manufacturers have been very lax in showing the Canadian public that they do not take undue advantage of the tariff. There is an advantage to all concerned in having a tariff which will give the market to Canadian manufacturers, provided they can supply the goods at reasonable prices. If they cannot supply the goods at reasonable prices, it is usually an indication that there is not sufficient production to warrant the tariff, or that the Canadian manufacturer is taking undue advantage of it.

Mr. Bennett undertook two years ago to give a thorough test to high tariff policy and to indicate that a tariff did not mean higher prices. The manufacturers are on trial and if this high tariff policy is to be continued they will have to show that they can get their costs down to a point whereby they can charge prices that are reasonably competitive with those prevailing in other countries where a similar standard of living prevails to that in Canada.

This will be a vitally important point also in connection with Imperial Conference negotiations. Unless Canadian manufacturers can show that they can produce goods here at reasonably competitive prices, there will be a general feeling that high protection is too expensive a policy for the Canadian public, and that other parts of the Empire should be given preferences which would give them a market for goods that cannot be made profitably here; and in return we would get preferences on lines on which we have certain natural advantages and can produce at low cost.

The attacks upon the protective tariff, that are now being made, are not convincing to the intelligent student of affairs because they do not demonstrate that any undue advantage is taken of any of the high rates nominally in effect. But the great mass of the public is not to be expected to make any logical examination of the case and it is unwise for supporters of protection, whether in government, in industry or elsewhere—to take for granted that the public is convinced of the net benefits of protection.

While the manufacturers would be looking after their own best interests if they were to provide evidence of refutation of the implied assumptions of these charges against the tariff, no finally satisfactory proof of the fairness of any tariff item will exist until a tariff board is reconstituted—on the lines of the one Mr. Bennett has promised the country—which will have authority to study the effect on different classes in the community of each individual item in the tariff.

Australia has in operation a tariff board which has this as one of its chief objectives. The latest annual report of that board contains this statement, thoroughly sound and applicable to Canada:

"With a view to protecting the consumer the Tariff Board, in dealing with every application for increased tariff protection, seeks from the applicants an assurance that, in the event of the desired protection or additional protection being granted, advantage of such protection will not be taken to increase the selling prices of their goods. The calling for this assurance follows logically on the argument, almost invariably presented, by the applicants that the protection is needed to enable the Australian factories to increase their output and work to full capacity, an argument which is quite sound.

"Generally speaking, it should follow that if by securing the local market to the Australian manufacturers the output of their factories is increased up to the full capacity of their plants, then production costs should be lowered and reduced selling prices should result, assuming that the prices previously obtaining were not unprofitable. This being so, in addition to the assurance against an increase in prices, the board, where the circumstances appear to warrant it, also calls for an assurance that, if as the result of the granting of the protection, costs of production are so decreased as to make a reduction in selling prices possible, consumers will be given the advantage of such reduction.

"The board has under consideration the desirability of the establishment of a system of following up assurances given, in order to ascertain how far the promises made have been fulfilled. Clearly the value of any assurance given is discounted unless some effective check such as that suggested is in operation.

"The system referred to in the preceding paragraph would, of course, apply only to those cases where increased duty has been granted after enquiry by the board. There are, however, many industries that have been operating under highly protective duties which were brought into effect prior to the inception of the Tariff Board.

"Obviously an industry that was built up and is carrying on under the shelter of the customs tariff has obligations to the community. Frequently such an industry is being subsidized by other unsheltered industries. The granting of tariff protection is not intended for the benefit of the few but has for its objective the good of all.

"It is, therefore, very desirable that the interests of consumers be safeguarded against any inclination on the part of the manufacturers to take undue advantage of the protection afforded them through the tariff."

GREAT WHITE FATHER

A BRILLIANT American writer coins the phrase "The Great White Father Complex" to interpret the Republican platform adopted at the Chicago convention. The "Great White Father Complex" is visible in all spheres of government in Canada today and it seems that the more solidly Conservative the government in a political sense the greater the paternalism in its actual practices.

The Republican platform makes it clear that Mr. Hoover has long since abandoned his old faith in rugged individualism. His platform, says Dr. Walter L. Lippman, in the New York Herald-Tribune, is a doctrine of indefatigable paternalism. It is in the spirit of the Great White Father providing help for his people. Every conceivable interest which has votes is offered protection, or subsidies, or access of some kind to the Treasury. In other words, it is a platform that is not meant to be, and in fact cannot be, read as a whole. It must be read in bits and each section or interest in the country is supposed to read the bit which concerns it. Thus the Republicans as a party stand for economy and self-reliance while as individuals they will still be able to obtain from a kindly government the protection, the privileges or the subsidies they need in their business.

What a ghastly joke upon a great nation! But no more so than here in Canada where all of our great parties have abandoned their early theoretical ideals in a mad rush to buy votes through subsidies, bonuses, sectional tariffs, unnecessary public works, and general access to the national treasury.

If there is left in Canada any party at all that stands for economy and self-reliance, for individualism, for liberty of action, and freedom of opportunity, its existence is not apparent from the public utterances and public actions of our political leaders.

LO, THE POOR SUCKER

EVIDENCE has been taken before a United States Senate committee on pool operations in the stock market. Some of the facts brought out are very interesting for the man who occasionally attempts to beat the stock market on a purely gambling proposition.

There was for instance, a pool in Anaconda Copper stock operating in the summer of 1929. The pool owned some 200,000 shares of the stock on August 1, 1929. It had an option on 100,000 more. In August the selling campaign began. Publicity experts were hired to circulate tips about the stock. The price rose—during the period of distribution by the pool—from 108 to about 133. Then sales ceased and prices fell. The shares are now at about 4. This pool was apparently managed by one of the largest and most respectable of the United States investment banking firms.

POST-scripts

A NUMBER of readers sent in correct answers to the interesting puzzles published in this column two weeks ago. To J. B. McPhail, of 3117 Daulac Road, Montreal, has gone forward the business book that was promised as a prize to the reader who first sent in the correct answer. To the others who solved the puzzles but whose letters did not arrive first, our regrets. If any one of them feels he hasn't been fairly treated, let him write to us and we'll send him some useful business book. We want everyone to be satisfied.

Here are the answers. The first puzzle was about the engineer on the train. The answer is "Smith." The second puzzle was about the engineer's dog which obviously ran exactly 16 miles, since he was running for one hour, no more, no less. The third puzzle was about the cocoanuts. The smallest possible answer—and for all we know the only one—is 3,121 nuts. The fourth puzzle was the hard one. It was to find out how many acres there were in a certain field. The answer (assuming a square field) was 174,240 acres. Probably we should have specified a square field. There could no doubt be other correct answers for fields rectangular but not square in shape. Mr. McPhail says of this puzzle "One gets an indeterminate equation which can be solved by the use of partial fractions." Our mathematician friends will know what he means; we don't.

We've published all the puzzles we know. If anyone reading this column has other puzzles he would like us to print we'll be glad to look them over and if we find them suitable we'll give a prize for their solution. But we will not offer a prize for submitting the puzzles. Giving people something to do to keep their minds off the depression is in itself a patriotic duty these days.

In the Mail

The Transportation Problem

Editor, The Financial Post,

As an advocate of an independent transportation board for Canada your editorial on the railways stating "that we should consider whether or not there is need for modernization of our whole system of public regulation of all methods of transportation, and not of one only," was appreciated by me.

The necessary equitable regulation and control of highway, waterway and railway transport can be obtained only by placing all under one independent jurisdiction.

Then if the railways will realize that steam is no longer the only motive power suitable for their purpose, will we not hear far less of the competition of bus or truck? If there is an interchange of passenger tickets where duplication occurs will we not procure almost an equal service with half the number of trains? If we have joint use of terminal facilities will we not have better shipping facilities with much less expenditure?

There will be some hope then of an equitable, efficient and economical transportation service in which each will receive fair and equal treatment. It is impossible to go into detail in a letter but the items mentioned appear to go to the root of our transportation problems. Increase in population and an improvement in trade will do the rest. For the benefit of every citizen it is imperative that both railways be made to pay.

J. RAWSON GARDINER.

Montreal,
June 24, 1932.

Approves Stock Pegs

Editor, The Financial Post,

In your last issue you again criticize the Montreal and Toronto Stock Exchanges for pegging prices of certain stocks some months ago. I am of the opinion, on the contrary, they should be heartily commended.

The conditions existing at that time rendered such a move necessary in the public interest. Otherwise they would have become slaughter houses for Canadian security prices similar to the deplorable effects on the New York Stock Exchange. In fact, it is the growing opinion, it would be better for the Commerce of North America if the stock exchanges closed for a period of two or three months, and gave the people a chance to realize that trade can go on, commerce succeed and have confidence restored without the handicap of reading the discouraging news each day of the efforts of the bears and panicky actions of frightened holders of securities as shown by stock exchange figures and reports.

In my opinion the New York Stock Exchange has done more to create the want of confidence so rampant among the people than any other factor involved in this so called depression.

There are so many sound reasons for the action of the governors of the Montreal and Toronto Stock Exchanges that to summarize them even would make a letter of too great length but I cannot refrain from protesting your unfounded criticism of the pegging of prices. My regret is that they removed them before business showed unmistakable signs of improvement. Am not interested in a single stock that was pegged so far as I know but I am interested in the general welfare of Canadian business.

CONSTANT READER.

Halifax,
May 30, 1932.

As Others See Us

Monday Holidays

Kingston Whig-Standard—There is a good deal of weight to the argument of The Financial Post as regards the effect of mid-week holidays on business. The value of Monday holidays has been recognized in the change of Thanksgiving from Thursday as it formerly was and in the setting of Civic Holiday, now so generally observed, on Monday. Labor Day falls also on the first Monday of September.

This leaves only a few holidays generally observed besides Christmas and Good Friday which may fall on mid-week days. Possibly Victoria Day could now be celebrated on the nearest Monday, when it falls on a mid-week day, without any serious loss in its significance. On the other hand, we feel that the shifting of Dominion Day is too important in its commemoration of a great event in Canadian history to be thus moved about without some loss in its meaning. In this case, as in the observance of Armistice Day ceremonies on Nov. 11—whether the day be a holiday or not—there is a sentiment which many persons will feel outweighs business considerations. And after all, it is drawing the line pretty sharply when business alone is accepted as the sole determining factor.

Other People's Views

Who Killed Cock Robin

The American Banker, New York—The conclusion is unmistakable that the depression either was caused or is being prolonged by the shortage of gold, the over-production of everything, the stock market, interallied debts, democracy, the under-consumption of everything, the maldistribution of gold, high wages, low wages, governmental extravagance, timid factory owners, distribution, the railroads, the business cycle, thrifty bank depositors, lack of leadership in high places, concentration of power in high places, silver, the bankers, prohibition, cost of the World War, preparations for the next, the Republican party, the Democratic party, inflation, technological unemployment, deflation, Bolshevism, Fascism, Americanism reparations, the Federal Reserve System trying to do too much, France, the Reserve System not doing anything, Germany, high tariff, England, low tariff, Mussolini, President Hoover, the failure of the American Government to appropriate several billions and spend them, and vice versa.

The Costly B. W. I. Treaty

Maritime Merchant, Halifax—The British West Indies treaty of 1925 was a very costly step for Canada. In all the intervening years since 1925 our exports to the British West Indies and Demarara have never been large enough to justify the outlay and sacrifice of revenue which it has occasioned for this country.

On an average import of five hundred million pounds of sugar fom the British West Indies we have been losing revenue as a result of the preference at the rate of approximately $5,000,000 a year. This might not be anything to complain of if the Canadian consumer got the benefit, but the benefit has gone to the planter in the West Indies. In addition to this, we provide a steamship service, which, when depreciation is accounted for, costs us almost another million. In other words we are paying roughly $6,000,000 a year for the privilege of getting our goods into the British West Indies at a preferred rate of duty.

It does not require much argument to show that in face of such competition as there is for business in the modern world, $6,000,000 is too much to pay for $18,000,000 or $19,000,000 worth of business. There would need to be six millions of profit to our shippers in that amount of business to split even, and everyone knows that such a thing is impossible.

It is plainly evident that the Canadian people have been taxing themselves in order to ensure a ready entry for Canadian goods into the B. W. I. markets in an amount in excess of the profits our shippers have been able to make. While our Imperial sentiment may approve of that as a tie of Empire, from a cold-blooded business viewpoint it would be condemned.

"Stop Me If You've Heard This One"

"Just what good have you done to humanity?" asked the judge, before passing sentence on the pickpocket.

"Well," replied the confirmed criminal, "I've kept three or four detectives working regularly."

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

GOLD DIPLOMACY IN FRANCE

A READER of this department writes "We all understand why there has been an immense accumulation of gold in the United States. But why should France accumulate so much gold? Is France the second most prosperous nation in the world or is it a plain case of hoarding?"

It is a fair question. It would be difficult to get an unbiassed answer. But there seems to be little doubt that France has craftily hoarded gold for political purposes; her propagandists would say for her security. France has acquired large stocks of gold and has placed her supplies where their withdrawal at any critical moment would do the most harm to one of her great trade or political competitors.

France had much to do with forcing Britain off the gold standard. She did not want Britain to abandon gold but her attack upon the pound had this result. France had much to do with the gold scare panic of last winter in the United States.

* * *

BUT France with all her gold may be fighting a losing game. Already internal conditions are disintegrating in France as they have in other countries.

Britain is fighting back by utilizing the heavy weapon of apparent indifference to the gold standard. While she is accumulating both gold and foreign exchange balances in order to be prepared to meet any emergency she is setting out to organize a group of managed-currency countries outside the now restricted ring of countries on the gold standard.

The United States too has fought back against the gold diplomacy of France. By changing her banking legislation, the United States has freed vast quantities of gold for export or hoarding. The French have maintained large balances in New York with the idea that their sudden withdrawal at a moment of crisis would prove vastly embarrassing to the Americans and probably precipitate a crisis in the States which would permit France to dictate terms in a number of international matters such as German reparations and armaments. With the new banking laws the United States is in a position to tell France to take her gold and see what good it does her or what harm it does the United States.

* * *

SOME time ago we reviewed "Behind the Scenes in International Finance" by Dr. Paul Einzig, a book which indicated rather clearly how France had used foreign exchange and banking operations as a weapon to weaken Britain and to gain political dominance over Europe. But her success against the British pound is being turned into a victory for British finance and trade. Her campaign against the American dollar has failed. Now her obvious move is to fight strongly for the restoration of the gold standard throughout the world. In this she has the backing of the world's familiarity with that standard and its obvious merits. One can see the hand of France in the most recent League of Nations gold delegation report which urges ultimate restoration of the gold standard throughout the world.

* * *

FRANCE is unpopular now in the United States; she is unpopular in Britain. She is so absorbed in the process of making herself invulnerable to the military, commercial or financial invasion abroad that she has not had time to worry about international goodwill. Her marvellous propaganda machine has sold her own people on her gold intentions but it has been ineffective abroad.

France has the gold because she has been willing to pay any price to get it, even at the cost of grinding down her own citizens with high taxes and a high cost of living. And she has been aided by the fact that she wiped out a large portion of her internal and external debts in the revaluation of the franc at an absurdly low figure and by the fact that she has consistently refrained from making long term investments abroad confining her foreign investments to short term banking balances that could be moved at the most embarrassing moments.

* * *

BY WHAT process has the gold been moving to France? It will be recalled that a year ago the United States had the largest gold stock in the world, twice as large as that of France. Today France has about as much gold as the United States. One would expect that with the large interest payments due the United States and her favorable balance of trade that gold would continue to flow to that country. But political rather than economic movements have determined the direction of the gold flow.

It should be noted, first of all, that a large portion of the gold formerly held by the United States was held in that country on behalf of various European countries. Many of the European countries, instead of being on the gold standard, were on a gold exchange standard which meant that their currencies were convertible into any currency that was in turn convertible into gold. Thus the European countries maintained their gold balances in London, Paris and New York, chiefly in New York. When the gold exchange standard fell down last fall these European countries recalled their New York balances and took them home in the form of gold.

About the same time the whispering campaign against the United States dollar was started and was aided and abetted by inspired article appearing in French newspapers. European balances in New York were withdrawn even at a loss. Most of the gold tended to flow to the one free European gold market, Paris, where the Bank of France was widening its influence over the smaller European financial states. France got the gold and continues to hold it.

For the Business Man

The man who is meeting the demands of today in his business affairs has little time for the management of his personal investments, though they may require more care than ever before.

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Extracts from the Report for the year 1931

Net Premiums (Fire, Life, Accident, Marine, etc.)	$ 55,233,946
Consideration for Annuities granted	243,638
Net Interest derived from Investments, and other Income	4,652,142
Total	60,129,726
Total Assets of the Company exceed	$144,662,229
Total Claims paid by the Company since its commencement, exceed	$835,000,000

FUNDS OF THE COMPANY

The Funds of the Company are as follows:—	
Capital (paid up)	$ 5,310,500
Fire Reserve Funds	17,837,317
Life Funds	47,359,250
Annuity Fund	2,954,199
Leasehold Redemption Fund	739,618
Members' Life Profits Account	111,650
Marine Reserve Funds	2,145,536
Accident and Miscellaneous Insurance Reserve Funds	31,231,962
Profit and Loss Account after payment of dividend for 1931	2,858,407
General Contingencies Fund	13,418,853
Four per cent Perpetual Debenture Stock Premium Fund	917,470
Staff Pension Fund	2,193,725
Total Funds	$127,078,487

($5 taken as equivalent of £1 sterling)

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Canadian Directors
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WM. MOLSON MACPHERSON, ESQ. FREDERICK E. MEREDITH, ESQ., K.C.
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Business Conditions in Canada

The Week in Business

Maritimes Look Like Best Market Now

But Prairies See Prospect of 400,000,000 Bushel Crop

MARITIME provinces hold the spotlight this week with two distinct, authoritative indications that buying power in this part of Canada is currently much better than elsewhere.

First The Financial Post index of business conditions in the five economic areas of Canada reveals that five out of seven Maritime factors made decided gains as at the end of May, an occurrence unusual even in prosperous times. All other areas showed declines for the month. Another important indication of purchasing power is the analysis made this week by The Financial Post, of 1932 income tax returns. This analysis is divided according to the 19 districts from which returns are received and practically the only areas in Canada to show higher returns than for the same period a year ago, are the three Maritime provinces, Eastern Quebec and Ottawa Valley districts—a heavy swing in favor of Eastern Canada The returns are based on 1931 incomes and are one of the first authoritative indications of buying power throughout Canada for that year.

• • •

PRAIRIE provinces may not look as good as the Maritimes on paper but there is no gainsaying the feeling of optimism that prevails in the West at the present time. Those who come east talk freely of a 400,000,000 bushel crop which would be well above the ten-year average for wheat production in the Prairies. The average for the past ten years has been approximately 377,000,000 bushels, not including spring and winter wheat grown in other parts of Canada which over the ten-year period has averaged an additional 22,000,000 bushels. A preliminary estimate issued by the United States Department of Agriculture even places the 1932 estimate for Canada at 475,000,000 bushels. This would include all-Canada and if it materializies would vie with the three bumper crops of 1923, 1927 and 1928. Total Prairie yields for the past decade are as follows:

D. B. S. Final Estimate of Wheat Production in 3 Prairie Provinces

	Bu.
1931	284,000,000
1930	397,300,000
1929	281,664,000
1928	544,598,000
1927	454,559,300
1926	380,765,000
1925	367,058,000
1924	235,694,000
1923	452,200,000
1922	375,194,000

• • •

JUST how this excellent crop outlook—even though cash wheat prices continue to hover around the 55-cent mark—is improving the outlook for Canada as compared with our neighbors to the South is further indicated by the latest report of the Brookmire Service which says the 1932 Canadian wheat crop is likely to be the best since 1928. Should this be true it points out that the movement of grain will help Canadian railways and impart a better tone to general business. Prospects for general business improvement later in the year, it believes, are therefore better than in the United States.

Extend Raymond Sugar Plant

Good progress is being made on the extensions and alterations to the plant of Canadian Sugar Factories Limited at Raymond, some 75 men being at work on these improvements. It is reported that soil conditions in the best growing area this year are better for germination than for years past, and general prospects are considered excellent.

SEVEN DISTRICTS SHOW 1931 GAIN IN BUYING POWER

Analysis of Early 1932 Income Tax Returns Covers Dominion

NINETEEN DISTRICTS

Maritimes and Eastern Canada Areas Show Most Improvement in Year

Maritime Provinces and Eastern Canada stand out as the economic bright spots in an analysis of current Canadian purchasing power made by The Financial Post on the basis of 1932 federal income tax receipts.

Each month the Department of National Revenue at Ottawa compiles income tax returns, according to the 19 districts into which the Dominion is divided for this purpose. Since first installments on income tax returns are payable not later than April 30, each year, it develops that in recent years between 70 and 80 per cent of total income tax receipts are paid during the first two months of the Government fiscal year, namely, April and May. Up until 1931 the proportions paid in these two months was a good 80 per cent, but last year due to pressure of economic conditions, more people took advantage of installment options with the result that only about 72 per cent of total payments were made in the first two months of the year.

Returns Down Only 3.7 p.c.

Returns for the first two months of 1932 are now available and show that due to increases in both the corporation and individual income tax schedules, receipts for the period—which may be assumed to be approximately 70 per cent of total receipts for the present fiscal year—are only 3.7 per cent below the corresponding figure of a year ago. The total return is $42,366,139 as compared with $44,004,824 in the corresponding period of 1931.

The most interesting feature of the return, however, is the relative change which has taken place in each of the 19 federal income tax districts.

Of the 19 districts, no less than seven, record increases as compared with a year ago. Of these, all but two are in the area west of the Ottawa valley. The percentage change varies all the way from an increase of 69 per cent at Belleville district to a decline of 84 per cent in the Yukon. Comparative figures for the first two months of the present and previous fiscal year, with the percentage change, are as follows:

Federal Income Tax Receipts, By Districts (First two months of fiscal year)

	1932	1931	% Change
Charlottetown	$ 43,689	$ 25,785	+69.4
Halifax	674,023	612,107	+10.1
Saint John	421,863	364,713	+15.7
Quebec	719,955	686,319	+4.9
Montreal	14,020,547	14,654,954	—4.3
Ottawa	2,272,393	2,041,012	+11.3
Kingston	104,248	108,042	—3.5
Belleville	287,958	155,351	+85.4
Toronto	12,069,969	12,262,665	—1.6
Hamilton	3,356,869	3,445,811	—2.6
London	3,695,238	3,808,317	—3.0
Fort William	121,551	130,064	—6.5
Winnipeg	1,301,843	1,479,879	—12.0
Regina	123,701	96,555	+28.1
Saskatoon	93,490	109,803	—36.9
Calgary	675,047	966,011	—28.3
Edmonton	220,566	278,483	—20.8
Vancouver	2,163,229	2,776,289	—22.1
Yukon	465	2,965	—84.3
Total	42,366,139	44,004,824	—3.7

The value of these returns lies in the fact that they give, for the first time, some indication at least of comparative buying power of different parts of Canada as compared with the previous year. Returns for 1932 are, of course, based on 1931 income, so that the new figures give some idea of what buying power may be expected—relatively—in each area. Since income tax schedules have been increased as compared with a year ago, it is not possible to use these figures this year to show that buying power is specifically better or worse than a year ago, but by comparing the returns in different areas relative improvement or retrogression is indicated.

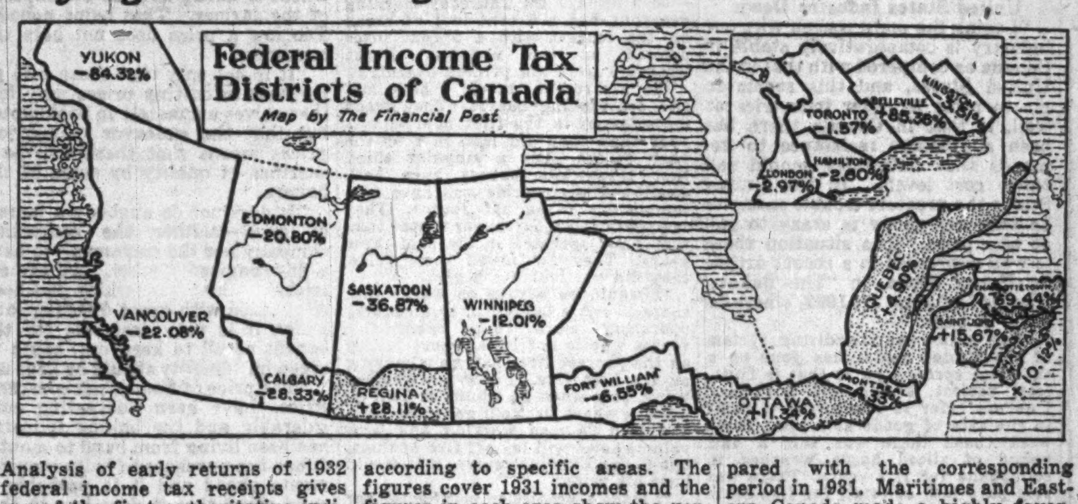
Many Areas Gain

Thus, relatively, the returns show much better response and, therefore, better buying power in Charlottetown, Halifax, Saint John, Quebec, Ottawa and Belleville areas, while the Regina area shows an increase of 28 per cent. The latter figure must be qualified by the fact that early returns for Regina in 1930 showed a drop of 80 per cent in buying power, so that even an increase of 28 per cent leaves this area still far below normal. In the aggregate, Ontario districts show very little change from the previous year, but there is a continued heavy drop from Winnipeg, west.

Ranking districts in order, the only change of importance is that on the basis of 1932 figures Ottawa district replaces Vancouver in fifth place, while Quebec replaces Calgary in eighth place.

Of the seven districts which paid more than $1,000,000 in income tax receipts, Toronto has the best record with a decline of only 1.6 per cent, while Hamilton and London rank second and third respectively, with declines of less than 3 per cent. Vancouver has the third showing with a drop of 22 per cent.

Buying Power Changes Revealed in '32 Tax Returns



Analysis of early returns of 1932 federal income tax receipts gives one of the first authoritative indications of buying power in Canada according to specific areas. The figures cover 1931 incomes and the figures in each area show the percentage change in returns as compared with the corresponding period in 1931. Maritimes and Eastern Canada made a highly favorable showing, it will be noticed.

Business Index Strong in Maritime Provinces

Decisive Upturn Reflected in Five of Seven Factors—Other Areas Show Declines For Month

By SYDNEY B. SMITH

Maritime provinces were the only economic area to record a gain during May, according to an analysis of seven factors for which geographical data is available.

Evidence presented by the seven factors considered in this connection was well nigh unanimous in pointing to at least a temporary upturn in business activity in the provinces by the sea. It is seldom even in prosperous times that five out of seven factors, after seasonal adjustment, representing a conspectus of general conditions, move up simultaneously in the spontaneous manner shown by the statistics of the Maritime Provinces during May.

Factors Analyzed

The index for the Maritimes was 104.3 compared with 103.2 in the preceding month. Measured by the seven factors, conditions are relatively better than in any of the other economic areas. Power output generated by water was at the rate of 1,739,000 kilowatt hours, per day, compared with 1,681,000 kw.h. in the preceding month. The energy made available for consumption during the month was 64,400,000 kw.h. compared with 62,100,000 kw.h. in April. The power industry has made rapid expansion in the Maritime Provinces since 1926. This development has been associated with the growth of the pulp and paper industry which has also become a prominent factor in the economic trend of the Maritimes.

The increase in employment, amounting after seasonal adjustment to about 6.3 per cent, was partly explained by the gain in construction work mainly under government direction. There was also an increase in the working forces engaged in manufacturing. The pulp and paper industry took on workers and the lumber industry was more active, the gain in canning factories being largely seasonal.

Bank debits in the Maritimes were $49,200,000 in May compared with $42,500,000, the gain after seasonal adjustment being 15.5 per cent. The cause of the gain in bank debits may be debatable, but gains in general factors like employment and bank debits must have considerable significance. Sales of life insurance amounted to $1,939,000 compared with $1,781,000, the demand for this form of saving showing a gain which was 5.5 per cent greater than normal increase for the season. Regular placements by government employment offices numbered 508 compared with 281 in April, the gain taken in connection with the increase in the employment index indicates greater activity as the spring opened.

The Dominion Iron and Steel Co. has recently had a force of 404 men on their payrolls. The coke ovens in the second week of June operated two days on 26 hour and 40 minute coking time and four days 30 hour coking time. The rod mill operated three single turns, the bar mill three single turns and the wire mills two double turns. All other departments were idle.

Quebec Construction Improves

Construction showed improvement in Quebec during May. Construction contracts were $7,390,000 compared with $2,947,900. Part of the gain was seasonal but even after seasonal adjustment the increase was about 75 per cent. This trend was supplemented by building permits, authorizations being $1,467,000 compared with $830,000 in April. In the matter of new business obtained by the construction industry Quebec made the best showing in May, and the gain over April indicates that operations will be somewhat above early expectations.

Bank debits in Quebec were $676,000,000 compared with $596,000,000, a gain after seasonal adjustment of 12.5 per cent. The other four factors showed a decline in May, considerable recession being registered by power production and employment. After seasonal adjustment the index of employment dropped from 89.0 to 85.2. Sales of life insurance were $8,913,000 compared with $9,845,000. The gain in regular placements was less than the increase for the season.

The business index of Quebec was 98.6 in May compared with 102.0 in April. According to this measurement the expansion from 1926 to 1929 has been counterbalanced by the reaction of the last three years.

Ontario Factors Weak

Building indicators showed decline in Ontario. Judged by the contracts awarded and building permits, construction will be at a low ebb during the present season. The index of electric output declined from 85.2 to 78.7; industrial demand was not maintained during the spring. The employment index after seasonal adjustment dropped from 91.2 to 88.4 during the month. Bank debits were more than maintained while life insurance sales declined. Placements by employment offices were 4,020 compared with 3,190 in April.

Despite the reactionary outlook in Ontario, indicated by the statistics of May, recent developments held out some prospect of better conditions. The automobile industry was more active in May, the output being 8,221 units compared with 6,810 in April. Factory work in Brantford has been stimulated by orders received for agricultural implements, consequent on improved crop conditions in Western Canada.

The business index of Ontario was 82.3 compared with 86.1 in April.

Prairie Outlook Brighter

Business conditions in the Prairie provinces have received an impetus owing to the excellent crop prospects. Rainfall was ample to provide for germination and early growth in the greater part of the grain area. Cutworms constitute a menace, but rainfall has as yet prevented extensive damage from insects. Authorities are forecasting that the wheat crop will be larger than in any year since 1928.

Building permits in the Prairie provinces were $1,904,000 compared with $825,000 in April while contracts awards were down even before seasonal adjustment. Electric output was practically maintained while other factors used here were reactionary, the business index being 95.1 in May compared with 100.8 in April.

B. C. Factors Mixed

Crop prospects in British Columbia are excellent, a bumper crop of fruit being practically assured. The lumber industry continues to operate at a low level. Of the 321 mills reporting to the West Coast Lumbermen's Association, only 129 were operating in the early part of May. Export lumber trade from the Fraser Valley was reported as showing a healthier tone, the bulk of the business being with Australia and New Zealand and some with the United Kingdom.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (June 18)	44,737	52,255	999,556	1,156,498
C.P.R. gross earn. (June 21)	$ 2,581,000	$ 2,866,000	$ 54,253,000	$ 67,981,000
C.N.R. gross earn. (June 21)	$ 2,877,320	$ 3,449,573	$ 66,087,006	$ 83,356,795
	Monthly			
C.P.R. net earn (Apr.)	$ 918,433	$ 1,347,039	$ 2,935,898	$ 3,812,286
C.N.R. net earn. (May)	$ 731,794	$ 440,689	$ 1,180,818	$ 1,434,040
Iron and Steel—				
Pig iron, tons (May)	13,339	50,511	69,038	243,400
Steel, tons (May)	29,239	75,235	162,370	406,272
Automobiles prod. No. (May)	8,221	12,738	32,557	59,250
" exports, No. (May)	374	1,569	2,817	9,367
Construction—				
Building Permits (May)	$ 5,289,506	$ 12,115,291	$ 18,190,794	$ 50,356,550
Contracts, May	$ 14,186,000	$ 36,395,700	$ 62,706,500	$ 133,144,200
Newsprint—				
Production, tons (Apr.)	176,660	205,838	686,990	741,740
Exports, tons (Apr.)	138,785	152,360	625,793	650,503
Sugar—				
Imports, raw, lbs. (Apr.)	35,447,400	41,059,000	169,840,300	162,437,100
Melt. & ship., lbs.*	64,566,796	81,036,063	207,549,836	251,794,244
Manufactured, lbs.*	58,751,252	76,655,478	§200,078,899	242,192,048
Flour—				
Production, bbls (April)	998,885	1,058,311	3,740,470	4,344,378
Wheat flour exp., bbls (May)	461,867	481,265	1,801,365	2,174,964
Other Industrial Indices—				
Lumbering: Plank & board exports mill ft. (May)	62.94	80.77	297.39	372.53
Boots & shoes, pr. (Apr.)	1,523,492	1,669,917	5,914,305	5,661,736
Petroleum, imp. crude, gal. (Apr.)	38,565,064	47,808,049	227,511,589	239,770,908
Cotton, imp., raw, lbs. (April)	6,230,000	6,155,000	30,044,000	32,533,000
Rubber, raw, imp., lbs. (Apr.)	3,584,609	4,637,544	17,151,892	19,529,491
Coal, imports, tons (Apr.)	542,398	537,530	2,392,249	2,976,394
Trade—				
Imports (May)	$ 44,353,710	$ 73,457,404	$ 201,296,804	$ 301,390,060
Exports (May)	$ 40,594,404	$ 59,833,245	$ 182,117,221	$ 237,307,082
Wheat exports, bus. (May)	15,548,013	29,521,699	52,348,645	67,103,490
Labor—				
Employment Index (May)	87.5	102.2	....	....
Electric Power—Output—				
M. Kilowatt hours (Apr.)	1,334,323	1,411,090	5,474,624	5,656,356
Finance—				
Failures, No. (Apr.)	190	175	857	781
Failures, Liabilities (Apr.)	$ 3,170,679	$ 3,184,198	$ 14,279,102	$ 15,026,005
Bank Debits† (May)	$ 2,175,000	$ 3,171,603	$ 10,334,024	$ 13,731,606
Bond sales (May)	$ 24,423,371	$ 27,477,027	$ 139,429,091	$ 274,168,114
Insurance sales (May)	$ 30,998,000	$ 41,314,000	$ 177,570,000	$ 215,275,000
Automobile Financing:				
Used cars (May)	$ 1,768,939	$ 2,877,442	$ 5,739,999	$ 10,135,446
New cars (May)	$ 2,025,498	$ 3,439,788	$ 6,020,723	$ 10,536,332

*Four weeks' period, Apr. 24 to May 21. §Jan. 1 to May 21.
†(000's omitted).

GASOLINE SALES NOW AVAILABLE MONTH BY MONTH

Bureau Compiles Sales Figures By Provinces; Four Months Pay

Monthly sales of gasoline in Canada are now being compiled and published by Dominion Bureau of Statistics. This is the first time that official figures on this important index of conditions in the oil refining industry have been available.

For February, total sales were 24,157,570 gallons as compared with 29,966,387 gallons in January. These figures are procured through reports to provinces under the Gasoline Tax Act and are therefore considerably delayed. No comparative figures are available for corresponding months in 1931.

All provinces showed a decline in sales for the month

	January (gallons)	February (gallons)
Prince Edward Island	36,282	26,075
Nova Scotia	845,503	606,693
New Brunswick	727,565	380,681
Quebec	4,541,490	4,249,359
Ontario	16,651,294	12,863,830
Manitoba	1,259,459	1,081,013
Saskatchewan	1,088,238	780,450
Alberta	2,303,183	1,800,608
British Columbia	2,513,373	2,368,861
Total	29,966,387	24,157,570

Iron and Steel Output Continues Long Decline

Production of steel ingots and direct steel castings in May, at 29,239 tons, was 19 per cent less than the April total of 36,080 tons, and 61 per cent less than the 75,235 tons reported in May a year ago. The decline from the previous month was mostly in the steel ingot grade which dropped to 28,326 tons from 35,030 tons and direct steel castings were also lower at 913 tons as against 1,000 tons in April. For the year to date, the total output aggregated 162,370 tons as compared with 406,272 tons and 541,292 tons during the corresponding periods of 1931 and 1930 respectively.

Production of pig iron during May amounted to 13,339 long tons, which was slightly higher than the extreme lows of January and February of this year but was 3,559 tons less than April. The decrease from the April total of 16,898 tons was in the basic grade which declined to 7,068 tons from 9,471 tons and in the malleable iron which dropped from 7,427 tons to 5,130 tons. Foundry iron produced in May totalled 1,141 tons as against none in April.

During the month no new blast furnaces were blown in and none were banked or blown out with the result that the two furnaces which were in active operation on April 30 were still in blast on May 31. The active furnaces had a capacity of 850 long tons a day, about 20 per cent of the total capacity of all the iron blast furnaces in Canada and were located in Hamilton and Sault Ste. Marie, Ont.

Business Briefs

Carloadings for the week ended June 18 amounted to 44,737 cars, an increase over the previous week of 1,051 cars. Grain shipments in the west continued heavy owing to extension of the date of expiration of the bonus of 5 cents a bushel on wheat to June 30 and also to the fact that the U. S. additional tariff on lumber became effective on June 20 and greatly stimulated the loading of lumber to get all orders possible across the border before that date. Merchandise loadings were slightly higher than the previous week with a total of 13,229 cars but were below the total for the week ended June 4.

Canadian Wheat Stocks for the week ended June 17 amounted to 135,584,980 bu., 4,029,265 bu. less than the previous week, and compared with 115,325,611 bu. for the corresponding date in 1931.

Exports of Wheat and Wheat Flour for the week ended June 17 amounted to 5,108,070 bu. as compared with 4,503,412 bu. for the corresponding week of 1931. Of the 1932 total 2,201,563 bu. went through Montreal. 1,877,484 through Vancouver and 997,000 through United States Atlantic ports.

Average Value of the pound sterling declared by the department of National Revenue for special duty purposes is $4.20 effective for entries during the period July 1 to 15, inclusive.

United States Excise Taxes, effective June 21, 1932, are being levied on a list of 26 commodities on sales for home consumption. The list includes automobiles, furs, gasoline, matches, refrigerators, sporting goods and toilet preparations.

Portland Cement Shipments by Canadian producers totalled 427,320 barrels in April, according to the Dominion Bureau of Statistics at Ottawa. During March, the production amounted to 276,172 barrels and in April, 1931, the total was 835,769 barrels. During the first four months of 1932, the Canadian production of Portland cement was 1,210,151 barrels or 45.1 per cent below the shipments in the corresponding period of the previous year.

May Automobile Production Below May, 1931 Total

Production of automobiles in Canada in May totalled 8,221 cars as compared with 6,810 cars during the previous month. May figures show that the principal gain over April's production was in the output of closed passenger cars which advanced to 6,783 from 5,409, and open model passenger cars were also higher at 472 as compared with 219. Truck production, however, dropped from 1,150 to 952.

Of the May output, 7,950 cars were made for sale in Canada and the balance of 271 cars were intended for export. The apparent consumption of automobiles during the month, as determined by adding the number made for sale in Canada to the 163 cars imported, amounted to 8,113 cars. Comparative figures show that 6,827 were made available for Canadian use during the previous month and 13,265 cars in May of a year ago.

RADIO SALES DROP IN FIRST 3 MONTHS

Average Price of Set is Cut by 42 Per Cent

Average selling price per machine of radios sold in Canada during the first three months of 1932 was 42 per cent below that during the first three months of the previous year. Total sales were slightly less, the comparative figures being 42,404 and 47,653, a decrease of 11 per cent but the total values of machines sold was only $2,155,623 as compared with $4,167,715 in the 1931 period, a decrease of 48 per cent.

Sales of lower priced models showed large increases, sets with a list price of less than $65 increasing from 474 to 9,750 and sales of sets valued from $65 to $100 increasing from 9,406 to 13,633. Sales in other groups were considerably lower, particularly in the higher priced models.

Comparison of sales by provinces shows that Ontario, Quebec, British Columbia and Nova Scotia took fewer machines during the first three months of 1932 than in the first quarter of 1931. Comparatively minor gains were made in the other provinces. Sales by provinces for the first three months of 1932 and 1931

Number of Radio Sets Sold in Canada First Quarter

	1932	1931
Prince Edward Island	197	133
Nova Scotia	1,499	1,777
New Brunswick	895	701
Quebec	10,820	13,624
Ontario	19,252	23,272
Manitoba	3,033	2,581
Saskatchewan	1,478	798
Alberta	1,823	1,309
British Columbia	3,357	3,458

New Jap Tariffs Affect Canada

Canada's considerable exports to Japan of wheat, wehat flour and lumber will be severely affected by tariff changes announced recently by the Parliament of Japan.

Under a duty of 25 cents a bushel Canada exported nearly 7,000,000 bushels of wheat valued at $3,870,228 to Japan in 1931. The new duty is announced as 2.50 yen per 100 kin, which is approximately 42 cents a bushel.

The tariff against wheat flour has been increased from 2.90 yen per 100 kin to 4.30 yen per 100 kin. Of this commodity Canada exported 169,755 barrels worth $503,842 during the 1931 calender year.

Important changes have been made in the tariff on lumber, the increase in duty being about 50 per cent in each classification. Canada did a considerable trade in 1931 in this commodity, exports of Douglas fir to Japan being valued at $284,728. A number of other items are also affected, notably butter and dry condensed milk but Canada's trade with Japan in these is not large.

An increase of 35 per cent on ad valorem duties, in the form of a surtax, is also announced in order to regulate results in the fall of the Japanese exchange. This will not appyl to Canada for five months in respect to commodities which receive the benefits of the French convention rate.

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SIXTY-FIVE years ago the Four Provinces freed themselves from political deadlock, and by Confederation laid the foundation of the present Dominion of Canada.

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206

ONE OF THE WORLD'S LARGEST AND STRONGEST BANKS

DEFICIT SHOWN BY ALGOMA CORP. FOR FIRST YEAR

Holdings in Subsidiaries Yield No Revenue in Period

From Our Own Correspondent

MONTREAL.—Difficult conditions which have prevailed in the steel industry are reflected in the first annual report of Algoma Consolidated Corp. for the fiscal year ended March 31, 1932. This company, whose assets total $16,645,730, is a holding company for Lake Superior Corp. which in turn controls Algoma Steel Corp. Total income during the year was $12,897 and after payment of expenses, there remained a deficit of $36,350.

Assets of Algoma Consolidated Corp. consist principally of investments in, and advances to its subsidiary and associated companies. It is pointed out that actually no revenue was earned on such investments during the period under review. Revenues amounting to $19,863 accrued in respect of loans to Algoma Steel Corp. but on account of unprofitable operations they have not been paid.

Profit and Loss Figures

Following is a statement of profit and loss for the fiscal year ended March 31, 1932:

Interest on invest.	$11,678
Prof. sale of inv.	1,218
Total income	12,897
Gen. expense	27,264
*Other expenses	21,993
	49,258
Deficit for period	$36,350

*Expenses of incorporation and reorganization.

Working Capital

Current assets	$283,188
Current liabilities	2,882
Working capital	$280,306

The company's balance sheet shows interest in subsidiaries at $15,909,515. This compares with $16,359,216 at which it appeared on the pro forma balance sheet as of June 30, 1931.

These investments in subsidiaries reflect the reorganization carried out under the scheme of arrangement. They include 380,959 no par common shares of Lake Superior Corp. which are carried at $8,997,308. Of stock in Algoma Steel Corp., the company holds 49,996 shares of common and 33,333 1/3 shares of preferred, which are valued at $3,819,653. The company also holds $4,123,400 5 per cent first mortgage income bonds of Algoma Central and Hudson Bay Railway Co., carried at $3,092,550. Investments in Algoma Central's second mortgage bonds and voting trust certificates together with shares in Northern Ontario Land Corp., are valued at $1 respectively.

Investment in Bonds

Investments in government and municipal bonds, at cost, total $272,178 and cash amounts to $5,450. An amount due by Algoma Steel Corp. is carried at $416,666.

Liabilities comprise $2,882 of accounts payable, $3,092,550 of 5 per cent income bonds, $1,904,795 of preferred stock and $11,645,503 of common stock, representing 580,959 shares. Interest on the income bonds and debenture stock and dividends on preferred stock are unpaid and cumulative from December 31, 1930.

Remarks to Shareholders

In his report to shareholders, the chairman, Sir William Stavert, said in part:

"According to the Scheme of Arrangement of November 25, 1930, The Lake Superior Corporation is obligated to pay to your company $100,000 in each year, or such lesser sum as shall represent the net earnings received by The Lake Superior Corporation in that year should such earnings be less than $100,000. An agreement covering this obligation has been executed between The Lake Superior Corporation, The Algoma Central and Hudson Bay Railway Company and Algoma Consolidated Corporation, Limited, under date of June 15, 1931, providing, however, that the first payment thereunder shall take place only on July 31, 1932.

"While the operations of the plants of the subsidiary and associated companies have been greatly curtailed for the reasons referred to above, none has actually closed down except temporarily, and although the accounts of Algoma Steel Corporation, Limited, and its subsidiaries show substantial losses, these losses are less than they would have been if operations had been completely suspended. The large bonded indebtedness of Algoma Steel Corporation, Limited, and heavy sinking fund requirements, together with lack of normal orders for that company's principal products, have combined to render the profitable operation impossible during the past year, and have imposed a heavy drain on the company's resources.

COURT DECLARES ALGOMA STEEL IN BANKRUPTCY

Cannelton Coal, Subsidiary, Granted Winding-up Order

From Our Own Correspondent

MONTREAL. — Algoma Steel Corp. has been declared insolvent and the Chartered Trust & Executor Co. has been appointed liquidator, following application made by Cannelton Coal and Coke Co., a subsidiary, for a winding up order. Cannelton Coal is a creditor to the extent of $62,476 for coal supplied in 1931, payment for which became due January 30, 1932.

In a supporting affidavit, William Charles Franz, president of the petitioning company, stated before Justice Sedgewick at Toronto, that the debtor could not meet its liabilities and that unless some scheme of arrangement or reorganization could be worked out between the debtor and its various classes of creditors, including bondholders, there was danger of unsecured creditors receiving nothing. Mr. Franz went on to say that the reorganization could best be obtained by applying the winding-up act.

Step in Reorganization

The bankruptcy comes as a natural sequence in an effort being made to reorganize Algoma Steel Corp. A few days previously a receiving order was granted. The receivers, all of whom are, or were, officials of the company, are authorized to borrow up to $2,500,000 by way of resolving credit for the purpose of preserving the property in order to carry on the business.

Investigate Manitoba's Resources

Investigations into the production of magnesium, aluminum, lithium and beryllium, all of which are found in extensive bodies in Manitoba, are now being made by United States chemical experts.

Canadian Bread Companies Weathering Storm Well, Getting Houses in Order

Sales Volume Contract From Competition of Cheap Potatoes

PUBLIC ECONOMIZES

Industry Beginning to Realize Folly of Selling Below Cost—U. S. Companies on Cut Price Spree

"While executives of the large Canadian bread companies possibly never have had so many and such pressing problems to face as at the present time, the best financed companies apparently are weathering the storm and making the necessary adjustments to enable them to function successfully during the period of low commodity prices and to be prepared to take quick advantage of any upturn in business," said Victor Loftus, general manager of the Canada Bread Company in answer to questions put by a representative of The Financial Post, with reference to present conditions in the industry.

Faced Hard Problems

"Executives of other industries, or of the large merchandising companies, are apt to look upon the bread business as a stable one in bad times or good," he continued. "We commonly hear such executives say: 'people always need bread, they must have bread. You are in the right kind of business for a depression,' and they think the problems of a bread manufacturer in a time of depression are simple compared with theirs. But it is not quite so simple a matter as all that. The bread business has been keenly competitive for many years and the profit margins even in times of prosperity were not large. Every effort was being made, even in so-called years of prosperity, to tempt the public to buy products of competing companies, and quality and price concessions were made all along the line with the object of getting quantity production. All these problems became immediately immensely more difficult when there was an outcry about the price of bread after wheat prices came tumbling down. Chain stores tried to capitalize that by selling bread at very low figures—below cost in many cases—in order to attract people into their stores with such headliners.

Don't Know Own Costs

"Another influence which has tended to reduce the profits and the total business of bread manufacturers has been the tendency of the general public to economize in the use of bread to a very large extent. The pinch of such economizing was felt almost immediately and some manufacturers tried definitely to keep up volume by sacrificing prices to a point where they could not make profits and were simply heading for bankruptcy.

"I might interject the remark here that there is too much of a foolish worship of volume by bread manufacturers and I have no doubt that the same tendency has shown itself in other industries. Certainly we have had in our industry some manufacturers who cut prices to a very considerable extent in order to acquire volume but some of these have found that such volume may easily become very bad business in a time like this if prices do not show at least some profit.

"The trouble is that there are bakers in the business who do not know their costs. They can see the obvious costs all right but they don't appreciate how necessary it is for them to provide in the price of their product enough to keep their machinery and equipment up to 100 per cent efficiency, enough to enable them to keep up constant research and experiment with the object of improving quality without raising cost, and of increasing palatability, as well as enough to provide adequately for overhead expenses of all kinds.

"A baker or any other business can go along for a while without looking after these things, but the end of such a course is inevitable. I think that in Canada most bread manufacturers have come to that view. I think there is more reasonableness in the industry than at any time since the price wars began. They are beginning to see that they help neither themselves nor their customers if they adopt policies which will send a number of companies inevitably into bankruptcy if continued long.

"The Canadian situation because of this willingness to see reason and to co-operate is much better than that in the United States. The strife for volume and the cutting of prices have proceeded to unwarranted lengths in many parts of the United States and the industry has been scraping bottom as a result.

"As I have said, one of the thorns in the side of the bread business has been the manufacturers who do not know their real costs and who sell at what they will find are bankruptcy prices to chain stores and others in an insane desire for volume at any cost.

All Bread Being Eaten

"Another element in the price decline is the fact that people are not buying as much bread as they did. In the first place, they are not wasting bread. A few years ago a number of people would throw into the garbage pail one-quarter of a loaf of bread or more in order to have fresh bread every day. It has been calculated that there was a 10 per cent waste of bread by the public at that time. There is little or no wastage of bread now. It is all being eaten.

"Less bread is being eaten at the present moment because of the low price of potatoes. The general public keeps its eye on the price of wheat and flour but the chief competitor of bread is the potato and it has more to do in determining the selling price than has wheat or flour. We have found over many years a very close correspondence between potato prices and the sales of bread. Some years ago when potatoes were selling for $3 to $4 a bag, sales of bread went away up. Bread was supplanting the potato. Now, when potatoes are selling around 39 cents a bag or even lower, people are increasing their purchases of potatoes to an extraordinary extent. It is a wrong idea that people just have to eat bread and that their purchases must necessarily be as great in bad times as in good. Most consumers will go for the cheap food every time, other things being nearly equal, and especially so in times of depression. Price seems to count for more than quality when unemployment gains sway and salaries, wages and incomes come down.

Unemployment Hurts Bakers

"The spread of unemployment is the third element in the situation affecting the bread business adversely. Every individual added to the unemployed ranks means a loss of a customer to some bread company. It is true that this man has to be fed and possibly will be fed by charitable or municipal or other agencies, but this brings the business on a 'tender' basis. Bread companies have to tender at a very low rate and practically on a profitless basis for business of this character. The great increase in volume of business of this kind therefore does not mean additions to the profits of the company in proportion. They have lost more through the loss of customers by a good deal than they have gained by the increase of these sales to municipalities and charitable institutions.

"Another important element in the situation at the present time is that various baking companies have found it necessary because of declining demand to let some of their men go. It was an inevitable result of the declining volume of business. Most of these men started baking themselves. They would open a little shop or bake in their houses. There has been quite an increase in the number of small competitors in this way. Many of these small competitors rate their own labor costs when working for themselves much lower than they did when working for one of the large companies. Many of them are also selling as low as possible in order to get business.

"On the other hand, executives of the industry should not discourage themselves by comparing present volume constantly with that of 1929. An executive's problem is always to keep adjusting himself and his business to changing conditions. He must see to it that his plants fulfill their functions as much in the interests of customers as possible and at the same time in a way to maintain themselves in good business trim, because that is the only way in which they can continue to serve the public.

Need Community Prosperity

"As far as the bread companies are concerned we have a great stake in the prosperity of the whole community. It is to the best interests of the whole industry to have all of the other industries, or as many of them as possible, prosperous, because then only can it be really prosperous itself.

"All business is inter-dependent, but the bakery business is peculiarly dependent on success achieved by industries in the community as a whole. It sells to people employed in every other line and, therefore, it cannot be indifferent to rises or declines in the rate of activity in many of these industries. For that reason no one would be better pleased than bakers if wheat went up to 90 cents or $1 a bushel and if eggs, butter, milk and other commodities were to give the farmer a much larger price than he is getting at present. Increases in the farmer's purchasing power work back to the city and to all industries and forms of business and that would be good eventually for the baker. Naturally, the price of flour has a direct result on the costs of the baker, but a prosperous community is of much more benefit than low prices for flour.

United States Industry Down

"I think the main reason why our industry is comparatively stable in Canada as compared with that in the United States, and this seems to me to refer to other industries as well, is that in Canada there has been a sturdier resistance to demands that industries should sell below cost levels. In the United States the greatest trouble seems to be that everybody is crazy to sell at any price. The situation there is well expressed in a recent article by Henry Stude, in "The Bakers' Weekly" of June 11, 1932, where he says, in part:

"The entire merchandising system of the United States has gone on a cut-price spree, a spree that is fruitless, useless, stupid and profitless. I do not refer to low prices—I refer to the sale of goods at a loss. Some weeks back there was sold a half pound of sliced bacon wrapped in cellophane for five cents. There was sold pure lard at retail for five cents a pound. There was sold a sixteen-ounce can of pork and beans for four cents retail. There were sold shirts that cost nine dollars a dozen wholesale, at sixty cents apiece. There was sold soap costing six dollars a case (100) at five cents a bar.

"So long as such competitive conditions exist all around us, we cannot expect to sit in the middle of it and be a 'Child of Fortune' or a 'Favorite Son' or 'A Chosen Industry.' We cannot operate in perfect peace and harmony when others have discord and confusion. That's not normal.

"It is well established in our business that we have over-capacity and under-consumption. Too many ovens and not enough bread. Not only in our line, but practically every other line. If, therefore, we believe that we must have as normal, our rate capacity, or previous production, we are in no state of mind to get best operating results, and are apt to be most alarmed over competitive conditions.

"At the present time the United States is flooded with 4 cent bread and I've yet to find the baker who started it. Every baker today who is baking 4 cent bread did it to meet competition, or to beat the other fellow to it. I remember a city where the bakers were decidedly against the production and distribution of 4 cent bread. And so expressed themselves—on Tuesday. On Thursday morning everyone had a 4 cent loaf of bread on the market with a 5 cent price printed on the wrapper. These wrappers were not printed overnight.

"In my recent travels I have met two outstanding bakers. They made more money in the first quarter this year than they did last year or the year before. It's a singular thing that these two bakers have both swallowed their pride and have systematically taken off routes. They are operating today fewer routes than they have operated in the past three years. They swallowed their pride, they did not look for a goat.

"I would be willing to wager that there is not a bakery in this country operating more than twenty-five routes who is not losing more money on the poorest five than he is making on the best five. I'll wager another thing, that when he admits it he'll do nothing about it. He'll go in the shop and find 25 men working and with volume down will lay off five of them, but to lay off five routes, that would hurt his pride.

"I made a prediction last September that to some bakers this depression would prove a blessing in disguise, that it would be a challenge that some would accept. Bakers today are working harder than they ever worked in their lives, and more intelligently. There are bakers today making money on a lesser volume than they ever thought possible, producing bread at a lower cost level than they ever thought possible."

Disorganized Markets Bad

"Things have not come to the terrible pass described in these paragraphs in Canada and it is to be hoped for everybody's sake in city and country that they do not," said Mr. Loftus.

"We have over capacity and under consumption in Canada as they have it in the United States. This doesn't mean that prices should get back to the 1929 level. Costs are low now and improvement in price to a moderate extent would carry prices to a point that would have been regarded as an invitation to bankruptcy in 1929, but which would under present conditions allow the most efficient companies in the industry to make fair profits.

"The baker does not want cheap wheat or cheap flour at the expense of the farmer. That helps nobody. Too low a price does not help the consumer.

"It is not only that those who go furthest in cutting prices may find themselves ultimately in bankruptcy but that the endeavor to get low prices means that there will be a sacrifice of quality by some of the bakers.

"It does not do anybody a morsel of good—neither the competing company nor the customer—to have a disorganized market. All the old tricks of the trade, which had been eliminated with great difficulty, and which it is very desirable for the benefit of all to keep out, begin to creep in. Quality should be kept up.

"The price of flour is not constant. Prices have been fluctuating considerably and the baking industry has been living from hand to mouth. It has not purchased for its requirements ahead and it is probably a good thing that it does buy in this way; that is, to be buying flour as needed keeps the industry in direct, almost daily, relation to demand. Weak spots have been eliminated in this way. There has been no speculative buying of flour in the fear that it should go up.

Credit is Withheld

"Costs have been reduced greatly in the bakery business. As most bakery workers are paid on a commission basis for sales the drop in the price of bread has automatically cut their income. Other operators are working on a lower scale as well.

"One thing that operates for improvement in the bread industry is that credit is not so easy as it was. Bakers who operated on uneconomic lines in the past find it more difficult to get credit to enable them to proceed in the same way. Those who have been giving credit see the danger more than they ever did before."

Asked as to whether the food faddist had had great influence in determining the type of loaves asked for and on the volume in Canada, Mr. Loftus replied that the influence of the food faddist has been much less in Canada than in the United States. In the Dominion, people who eat brown bread or whole wheat bread have been eating it because they like that type of bread rather than because it is essential for health. The general concensus of opinion in Canada seems to be that the white bread is just as wholesome and nutritious as the whole wheat or the brown bread and therefore the principal elements in determining the type of bread used have been mainly those of palatability and of individual taste.

Imperial Oil Provides Dividend For Standard

Imperial Oil's payment of dividends to Standard Oil of New Jersey, which owns about 68 per cent of its stock, is estimated by the New York Times at more than the $8,700,000 net profits shown for 1931 by the parent company in the United States. New York Times states that a net loss would have been shown by the New Jersey company if it were not for the contribution of this Canadian unit.

The strong entrenchment of Imperial Oil in the Canadian trade, together with the importance of its South American operations, promises further favorable representation in the international oil business controlled by Standard Oil of New Jersey.

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C. I. T. S. Makes Payment of 13.6 Cents a Share

From Our Own Correspondent

MONTREAL. — A distribution of 13.6 cents a share will be paid to holders of Canadian International Trustee Shares on July 2, 1932. The payment represents the fourth coupon paid by the company.

Distribution to be paid on July 2 is equivalent to a yield of 6.13 per cent on the average price of Canadian International Trustee Shares since January 1, 1932. Holders of the shares have the option to apply the amount of dividend for the acquisition of additional shares; an option which expires July 31.

Halifax Shipyards Secure Repair Job

From Our Own Correspondent

MONTREAL. — Halifax Shipyards Ltd., subsidiary of Dominion Steel & Coal Corp., have been awarded the contract for the repair of the liner, Prince David, of the Canadian National Steamships, which grounded near Bermuda early in the year. The contract calls for the completion of the job within 147 days, and work for 300 men for four and one half months will be provided.

DOMINION GLASS DEBT MATURES IN 12 MONTHS

Redemption Would Leave Stocks as Sole Security

From Our Own Correspondent

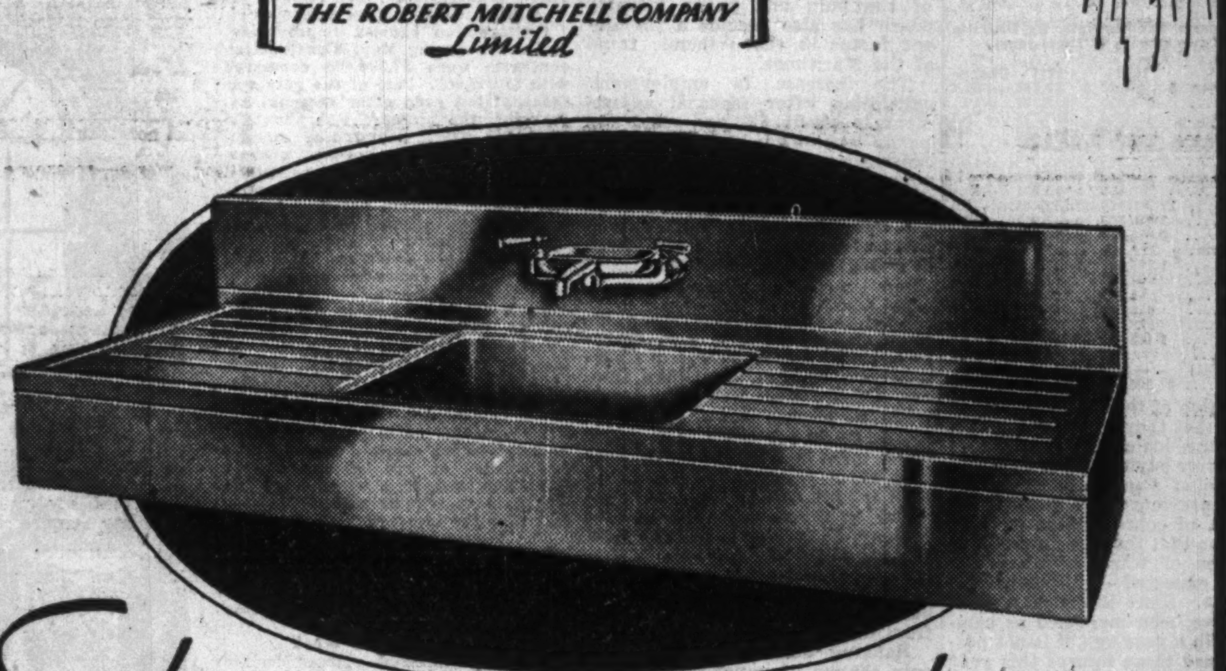
MONTREAL. — Following redemption by Ogilvie Flour Mills Co. of its funded debt totalling $2,350,000, leaving preferred and common shares as the sole securities of the company, attention is directed to the situation surrounding Dominion Glass Co. This company had outstanding $544,500 of 6 per cent first mortgage bonds at September 30, 1931; the issue matures in June 2, 1933.

Indications are that the company will have little difficulty in meeting this obligation out of current funds since at the end of the last fiscal year the balance sheet showed investments in Dominion of Canada bonds amounting to $1,110,746. Working capital totalled $3,129,626.

Sales Are Restricted

Earnings last year were lower than in the previous period. After all deductions profits were equal to $4.53 a share on the common compared with $7.64 a share in the previous period. Prospects for an improvement this year are not apparent. The company's sales to breweries and distillieries have likely reflected the decline in output of those industries.

With redemption of the bond issue next year, position of the preferred and common shareholders will be strengthened. Capital structure has not been altered since the company's inception in 1913.



The New

"STRAITLINE" MONEL METAL SINK

[*Made and Sold in Canada by*
THE ROBERT MITCHELL COMPANY
Limited]

Silvery permanent beauty ...at new low cost

In keeping with straight line decorative tendencies in modern architecture, The International Nickel Company of Canada Limited have designed and produced the new Monel Metal "Straitline" Sinks. These Sinks are now made and sold in Canada by The Robert Mitchell Company Limited. Because of economies effected by new processes of manufacture, they will be sold at prices far below the prices of the "Streamline" Monel Metal Sinks now in use in many of Canada's finest homes.

Because of their beauty of design, and the rich platinum-like lustre of the Monel Metal, these sinks add a note of beauty and refinement to any kitchen. They harmonize with and reflect any kitchen color scheme. They are rust-proof, highly resistant to corrosion, easy to clean and keep clean. Because they are solid metal clear through, there is no coating to chip, crack, or wear off. They have much more working space than the ordinary sink, and are thoroughly sound-deadened.

Full information can be secured from your architect, builder or plumber.

Priced as low as $87.50

Straitline Sink with Double Drainboard
21"x72"—$124.50
21"x60"—$112.50

Straitline Sink with Single Drainboard
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Faucets extra

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INCO NEWS

Interesting new uses of Nickel and Monel Metal in the various branches of Canadian Industry.

Food Service

The Pesner Meat Market of Montreal have just opened up a new branch in which Monel Metal has been extensively used. All the show-cases, counters, railings, etc., are of Monel Metal, which was installed by J. P. O'Shea & Company of Montreal.

Monel Metal is ideal for this type of service. Its glass-smooth surface is easy to keep clean and sanitary, and it is unaffected by fats, salt meats and juices. It is also extremely durable under hard service.

Hospitals

The Notre Dame Hospital in Montreal has just installed a number of Monel Metal clothes racks which were manufactured by Edgar Tremblay Engineering Company.

The Western Hospital in Montreal has placed its order for a number of large standardized Monel Metal sinks.

Chemical

Canada Iron Foundries received the first order from Shawinigan Chemical Company for still castings for Acetic Acid. This casting is for the base, weighing about three tons. They expect to receive upwards of twenty tons of castings for these Acetic Stills. It is reported that Shawinigan Chemical Company have decided, after various tests, to replace the present plain iron with Ni-Resist—a Nickel Copper Chromium Cast Iron containing 12 to 15% Nickel, 5 to 7% Copper and 1½ to 5% Chromium.

Foundry

A partial report on the useful life of Alloy Iron Ingot Moulds made by Aluminum Co. of Canada Limited at Arvida, indicates that they have found a mixture made up of 40% No. 2 Foundry Pig, 40% C.I. Machinery Scrap and 20% Steel Scrap, with the addition of 1.5% "F" Nickel and 0.60% of 50% Ferro-Chromium, which tests have shown, gives about 1¾ times the average life of plain iron. Plain iron had caused trouble by cracking. None of the Nickel Chrome Iron Moulds failed on this account.

Power and Pump Rod Field

Continued popularity of Monel Metal for pump shafts and rods is demonstrated by recent installations by:
- Canada & Dominion Sugar Co., Montreal
- Coca Cola Co. of Canada Ltd., Montreal
- Canada Starch Company, Montreal
- Shawinigan Water & Power Co. Ltd., Shawinigan Falls, Que.

and others. The steel-like strength, together with the close, even grain of Monel Metal, which takes a hard, high polish, results in reduced packing costs and long life even under corrosive conditions.

Architectural

The Woodhouse Company of Montreal has just completed rehabilitation of its store. This Company has used Monel Metal for store fronts, show cases, counters, light fixtures, etc.

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVI Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, JULY 2, 1932 10c a Copy; $5.00 a Year No. 27

PREF. DIVIDEND OF PROV. PAPER IS EARNED NOW

Earnings Sufficient to Maintain Payments if Trade Holds

RETIRING BONDS

Anticipates Sinking Fund Needs By 7 Years—Not Affected By Abitibi Situation

Provincial Paper, which has been controlled by Abitibi Power & Paper Co. since early in 1930 through entire ownership of 100,000 no par value common shares, is still having a sufficiently high level of business to permit payment of preferred dividends. In 1931 amount earned on $3,500,000 of 7 per cent preferred stock was equivalent to $9.29 a share. Though it is likely that earnings have slumped somewhat from this amount it is understood that profits still are high enough to look after preferred dividends. The quarterly dividend, due on July 2, 1932, will be paid and unless there is a serious change in current earnings during the next quarter it will be paid again.

Provincial Paper officials, it is understood, have not made approximate estimates of the net earnings for the first half of 1932 as yet, as it is their custom to get exact figures a little later, but interests close to the company do not fear for the dividend if business can be maintained at present levels. Any slump in business would naturally change the situation.

Manufacturers of high grade book, bond, coated and writing papers did not expand plant nearly as much beyond market requirements as did newsprint companies. Therefore, well-run companies have found themselves able to meet some needed drops in price and demand by economies which still have permitted payment of dividends on all but the common stock. Provincial Paper has been able, for instance, by a system of short weeks and partial layoffs from time to time to keep all five plants open.

Prices Low, Few Sales

Bonds of Provincial Paper have been selling in recent markets as low as "60 bid, 70 asked," while the preferred stock sold down to "40 asked." These comparatively low prices are regarded as being a reflex of the low favor into which all paper stocks have fallen rather than being entirely due to the general fall of price levels of all kinds of stocks. The general buying public does not discriminate much between newsprint, pulp and paper, and fine paper company stocks and their unwillingness to single out some stocks for special treatment is added to by the fact that there are fiscal connections between the various groups.

How Public Came In

The present position of the company's securities cannot be understood without harking back to the transaction effected by Dominion Securities in 1927 when it paid $135 for each common share of $100 par value—that is, $4,775,000 for $3,500,000 of common stock—and $107 to call every $100 par value share of 7 per cent preferred—that is, $1,819,000 for $1,700,000 par value of preferred stock outstanding. This made a total of $6,594,000 paid out to the old interests that controlled Provincial Paper and $7,450,000 in par value of new securities were issued to the public in order to pay this amount. The funded debt was raised from $1,350,000 in 5½ per cent first mortgage bonds to $5,300,000, or an addition of $3,950,000 of bonds in the hands of the public; and the new preferred stock issued amounted to $3,500,000 in par value but was sold at 101 so that it provided a gross amount of $3,535,000. The total gross amount paid by the public was, therefore, $6,968,750 to buy the old common and preferred stock for $6,594,000. The new common stock issue of 100,000 no par value common shares was sold early in 1930 to Abitibi Power & Paper for 100,000 shares of the latter's stock.

Old Owners Sold Well

The additional bonds and the $3,500,000 of 7 per cent preferred stock really then took the place of the old 7 per cent preferred ($1,700,000) and $3,500,000 in common stock. The comparison of present earnings, interest and dividends must, therefore, be with this old stock. By the change in control accumulated surplus profits at the end of 1926 of $1,302,711 dropped to $72,927, and the company found itself with $462,250 to pay on additional bonds and on the new preferred stock, instead of $364,000 as formerly. In other words, it began to pay additional bond interest of $217,250 and dividends on the new preferred of $245,000, where before it had been paying $119,000 in preferred dividends and $245,000 in common dividends.

The old preferred and common dividends were well guarded by earnings. From 1916 to 1927 the 7 per cent preferred dividends had been paid regularly, while 4 per cent common dividends in 1917 were advanced to 7 per cent for 1920 and continued at that rate until the change on control in 1927 except that in 1924 only 6 per cent was paid.

With such an excellent record the old interests were not willing to sell out without a considerable premium being paid over par value and the public was willing to pay. The new deal thus engineered by Dominion Securities paid the old shareholders well.

Premium Paid Vindicated

The new shareholders, on the whole, have had their faith in the company vindicated by earnings and progress since that time. Working capital was strengthened at once as a result of the transaction just described by the elimination of $400,000 of bank loans and an improvement in the cash position. The accumulated earnings of the company has gradually lifted the surplus from $72,927 at the end of 1927 to $752,570 at the end of 1931.

Earnings have been dropping since 1929, but the bonds have been reduced from $5,300,000 to $4,900,000, depreciation reserve has been lifted from $300,000 to $1,500,000, while general reserve has stayed even during these years at $1,484,286. Fixed assets have increased on the balance sheet from $8,236,528 at the end of 1926 to $9,066,260 at the end of 1927.

Increases Bond Holdings

In the same period investments of the company increased from $328,348 at the end of 1927 to $1,069,176 at the end of 1931. The latter amount included about $800,000 of the company's own bonds and since that time it is understood that these holdings have been increased to $900,000 of the company's own bonds. The company is, therefore, in an exceptional position in that the annual sinking fund requirements are really looked after for about seven years in advance. The company is allowed to anticipate sinking fund requirements and take credit for them in future years, if it so desires. The $125,000 sinking fund requirement was expected to retire 75 per cent of the bonds by maturity in 1947.

Abitibi Got $125,000

It is understood that Abitibi's only interest in shares of Provincial Paper is in the 100,000 no par value common shares which it bought by giving in exchange 100,000 no par value shares of Abitibi Power & Paper Co. early in 1930. No dividends have been paid on Abitibi common stock since 1928, so that on that transaction Abitibi Power was able to draw dividends of $125,000 from Provincial Paper in 1930 and the newsprint industry debacle has prevented Provincial Paper drawing anything in return from Abitibi.

One holder of Provincial Paper bonds has asked The Financial Post if the low price of the bonds and of the preferred stock might not mean that Abitibi Power & Paper is selling some of its holdings. The Financial Post cannot find that Abitibi's interest is large in anything except the common stock; there is, moreover, a very small turnover in these bonds, the holders evidently not being willing to sell at present prices, and this is apparently true in the case of the preferred stock as well.

Held by Canadians

The Financial Post understands that both securities were placed largely in Canada. At the time of the additional bond offering in April, 1927, Dillon, Read & Co., of New York City, participated in the offering but Dominion Securities placed most of the issue in Canada, it is understood. The bonds were placed quite widely though there was a large institutional demand. The preferred stock was also placed widely in Canada, mainly in the hands of private individuals. Holders of bonds are not worrying over the situation, as the interest was earned two and a half times in 1931 after depreciation.

Preferred shareholders, however, were anxious about the Abitibi Power & Paper Co. passing of interest on June 1, about the guarantee of completion of Abitibi canyon power project now to be taken over by the province, about the general paper situation and about recent reports that bond paper prices are dropping. So far, The Financial Post is given to understand, no serious situation has developed in this end of the paper business. Because of general business conditions, executives, however, will not commit themselves as to business prospects more than for a short distance ahead. Business is down and profits are lower, as in all businesses, but so far profits of Provincial Paper cover dividends.

Canada Comes Through - - 1868

CANADA was born in the midst of business depression. This is something worth remembering today

Following the financial collapse of 1857 and '58, Canada enjoyed a brief spell of rather bountiful prosperity, which was enhanced by the Reciprocity Treaty with the United States and the high prices received for produce as a result of the Civil War.

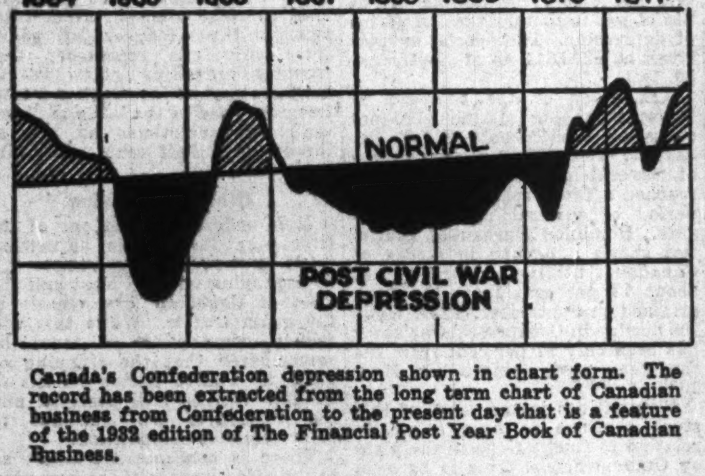
But when the Civil War closed the industrial interests of the United States watered the revenue-tariff seed of the war years and made it grow into the mighty protective giant of today. The Reciprocity Treaty was abruptly cancelled. New duties were placed against Canadian goods that were the forerunner of a constant succession of tariff increases punctuated only by the friendliness of an occasional Democratic administration. "Join us or die" the Americans told Canada in 1866. Canada did neither but she had to hunt for new markets. Free trade in Britain robbed Canada of its advantages in that market. The new markets were hard to find.

Canadian business suffered in 1865 in reflection of the uncertain conditions following the cessation of American hostilities. More seriously, the British and Wall Street panics of 1866 were reflected in three years of poor business from 1867 to the middle of 1870.

The crisis started in Britain. British industry—particularly the cotton trades—had been seriously set back by the cotton blockade enforced in the American war. But it was a period of continued gambling in the securities of joint stock companies. The excessive advances made by different banks for the promotion of commercial firms in time left them with much worthless paper. One bank failed and another suspended payment. Then Napoleon III made an indiscreet speech, provocative of war. In the midst of the general nervousness, Overend, Gurney & Co., one of the oldest and most respected houses in the City, suspended. The following day became known as "Black Friday." Complete panic seized London.

"It seemed as if the whole commercial and monetary system of the country would collapse." So said a London paper. (So they say today.) Of course the system didn't collapse, but while the panic lasted it was distressing.

The trouble spread to Canada. Canadian banks refused to buy anything but the very strongest bills on London. The crisis was the last blow to the poor old Bank of Upper Canada, the first bank chartered in what is now Ontario. The bank had been failing and it probably would have had to close up later in any event, panic or no panic, but its closure locked up the funds of the business community. In 1867 the Commercial Bank of Canada failed and its assets were taken over by the Merchants Bank at a discount of two-thirds. Gore Bank stock fell from 92½ to 30 and the Canadian Bank of Commerce stepped in and took it over in 1868.



Canada's Confederation depression shown in chart form. The record has been extracted from the long term chart of Canadian business from Confederation to the present day that is a feature of the 1932 edition of The Financial Post Year Book of Canadian Business.

Typical of the reckless disregard of values was the offering of city of Hamilton debentures at 65 to 70, even after a settlement had been made with creditors.

Trade was poor; unemployment rife; prices for farm products low. Money was scarce and the worries of the Fathers of Confederation were no heavier than those of the men in charge of our financial institutions.

Such were the cloudy days when economic necessity forced the desperate provinces to unite in one Dominion.

Yet the skies cleared again and comparative tranquillity ensued throughout the world.

In the United States, 1869 to 1873 was a period of hectic prosperity when iron and coal output and railway mileage doubled.

In Canada, Confederation aided economic advance. Cut off from familiar outside markets, the provinces found new ones, at home and abroad. Many new banks were chartered, nineteen between Confederation and 1874. Banking capital doubled. Railway mileage doubled. Exports grew by fifty per cent; imports even more.

The outlook for the young nation may not have been very promising at its birth. But it was a lustier infant than was supposed, and this it demonstrated as soon as it had settled down to enjoy the fruits of political union.

Canada came through the economic crisis of the Confederation period and went on to new peaks of development. It was to face one more desperate period of depression soon, and to come through it as well.

Next week: 1873.

Imperial Conference Cannot Work Magic

Raising Hopes Too High Puts Impossible Task Before Parley — Views of Baldwin, Stevens and King Discussed

By a Canadian Economist

There is becoming increasingly visible a tendency for Canadians to build great hopes of a general economic revival on the conference of Empire countries to be held at Ottawa. This is natural. It is a fact that this country exports a very large proportion of its products to Great Britain and other Empire nations, and in the present depressed condition of commerce it is a most appealing idea that, by some simple agreement, Canadian products may find a preferred market, may move in greater volume, and may, possibly, even sell at higher prices than now prevail.

In our eagerness to restore what we are only too ready to remember as the "normal" good times of 1928 and 1929, we are approaching the Imperial Conference with an almost religious fervour of faith and hope.

In such an atmosphere the sceptic is unwelcome. The popular stand is to express deep belief in the assured resumption of our onward march of progress — "after the Conference," and the unfortunate economist who should dare to express even faint doubt of the effectiveness of anything which can be accomplished at Ottawa is not likely to be acclaimed.

Results Would Be Serious

Yet, it seems appalling that we should enter the Conference with hopes so far too high that any reasonable results capable of being accomplished must seem a failure. It is appalling, for it means, without the least doubt, that in such a case the consequence will be perhaps the most bitter period of political strife and recrimination that this country has ever seen.

This is not in the least an exaggeration. It can be proved to the hilt by three incidents of the past few days.

At London, Mr. Baldwin said that success of the Conference could only be assured by certain Dominions—we know he had Canada in mind—admitting that they were "over-industrialized." At Toronto Mr. Stevens tried to show that this country was a better customer of Great Britain than is usually believed—with a few criticisms from Sir William Clark as a result. And in New Brunswick, Mr. King observed that Mr. Baldwin was right.

British Attitude

Mr. Baldwin speaks for Great Britain. The British attitude is simple. Canada, they say in London, sells much more to Great Britain than she buys; Canada cannot expect to continue to do that; Canada has too many factories; Canada should be prepared to close some of them, and take her proper place as a source of raw materials and a market for manufactured goods from Britain.

Mr. Stevens, while not attempting to lay down the Canadian policy in its entirety, says that the British attitude is wrong; from that, we may infer that he is not prepared to admit that Canada is to close factories.

Mr. King merely remarks that he is prepared to bet that the present government will refuse to close factories; that as a consequence the conference will fail; and that then he intends to capitalize the failure politically.

Examining Their Views

Not from the standpoint of a Conservative or a Liberal, nor from that of protectionist or free trader, nor as a farmer or a manufacturer, but purely from the point of view of a Canadian who wishes to see Canada remain economically sound and still politically on the closest terms with Britain—which of them is right?

Taking Mr. Baldwin first, it may be permissible to ask how he has ascertained that Canada is "over-industrialized?" We know that it would be of great value to Great Britain for Canada to increase her purchases of British manufactured goods, and it is a fair presumption that Mr. Baldwin means that we could do that by so adjusting our tariffs that some Canadian factories would close, their products to be replaced in our markets by those British factories. If he did not mean that, he meant nothing.

It is not necessary to consider the interests of Canadian manufacturers. Let us also omit—although it is an important question—the immediate interests of those who depend on our factories for a livelihood. Let us, in short, deal with the question on the broad ground of the national interest.

When We Adopted Tariff

To assess the case properly, let us enquire first why this country had adopted and maintained a protective tariff on manufactured goods. Not to make profits for manufacturers, however valuable that factor in our economic life may be. Not in actual fact to provide a livelihood for workers. Simply because Canada, lying for four thousand miles along the frontier of the richest and most materially progressive nation in the world, must advance, economically, pari passu with her neighbors—or every young Canadian desirous of a wider life than his farm home could provide, would cross the border.

Britain could not have developed to her present position without the industrial revolution. Canada could not have survived as a nation.

Good Customer of Britain

But, is Mr. Baldwin right in suggesting, even by inference, that the "over-industrialization" of Canada has limited her ability to purchase British goods? Major E. W. P. Newman, in a recent number of the Nineteenth Century, appeals for consideration of the special interests of Great Britain in the Argentine Republic, and this country of South America is constantly held up as the model of a country willing to furnish Britain with an outlet for goods and services. What is the comparison with Canada?

In Argentina eleven and a half million people sold Great Britain in 1931 over £52,000,000 of goods, and imported less than £15,000,000 of British goods of British production. Canada in the same year sold Britain almost £33,000,000 worth, and imported over £20,000,000 worth for a population of ten millions.

In addition Canada imported from other countries, of goods some at least of which could be obtained in the Empire and even in Great Britain, a far greater amount than did the Argentine.

How is Mr. Baldwin going to prove that the alleged "over-industrialization" of Canada checks the sale of British goods here, when the model non-industrialized country of the world—according to almost every British observer's view of the Argentine—was not, either in toto or per capita, as good a customer of Britain?

In short, Mr. Baldwin is wrong. The economic policy of Canada was deliberately adopted for reasons which seem to us vital to our national life; and it has ended in making us in 1931, both in toto and per capita, one of the best customers of Great Britain in the world, exceeded in volume of imports of goods of British production only by France among foreign nations, and only by India, South Africa and the Irish Free State among Empire countries.

Confusion on Exports

Mr. Stevens is right. We do not get full credit for all that we do in Empire trade. On the single item of wheat, owing to the custom of declaring all cargoes as for "the United Kingdom or order" as soon as they pass a Canadian customs port, unless their final destination is known, the Canadian official figures of exports to Great Britain are ridiculously inaccurate. British import figures are equally undependable owing to the custom of listing all imports as from the country from which they actually sail. United States wheat coming from Montreal is listed as Canadian, and vice versa. Dr. D. A. McGibbon, a member of the Board of Grain Commissioners, who sat on a committee at the Conference of 1930 on this very point, says in his book, "The Canadian Grain Trade," that no precise figures are obtainable. He gives the approximate annual export of Canadian wheat to Great Britain as actually of the order of 70 to 90 million bushels—contrasted with official exports of 236 million in 1928; 122 million in 1929; 131 million in 1930; and 107 million in 1931. Admittedly the exports to Great Britain in

(Continued on page 13)

Change in Liquor Law Hope of Ontario Brewers

Operating at Less Than Twenty Per Cent of Capacity, Few Can Make Profits — Ontario Consumption Far Below Quebec's

Breweries operating in Ontario are noting a marked diminution in sales during the current year. Prospects for tourist business are not sufficiently bright to warrant the hope that the remaining months of the year will bring total sales back even to the 1931 level. Sales this year are about 14 per cent below sales for the corresponding period of 1931. Many showed a 25 per cent drop and about 20 per cent below 1930. Nevertheless there is hope that some of the companies will be able to hold to or improve upon the 1931 profit level by a sharp cut in expenses although other companies will fall below 1931 profits.

Largest unit in the field is Brewing Corporation, which operates about 30 per cent of the breweries and is doing about that proportion of the business.

Two Reasons For Deficits

Some of the breweries are making money; others are losing heavily. On the whole, profits probably will not exceed four per cent on invested capital this year. The reason for this situation, so unsatisfactory to shareholders in the companies, are two; over-expansion in the brewing field and a liquor law that is not favorable to the sale of beer.

It is estimated that Ontario breweries are not operating above 20 per cent of capacity. Hopes aroused by the passage of a new liquor law in Ontario five years ago led to the reopening of many breweries previously shut down and to the construction of some new ones. The law failed to live up to its promises. Even if it had it would hardly have made all the new breweries prosperous. Casualties have been heavy; more are threatened. Under its present law Ontario drinks less than half the volume of beer it drunk before the war.

Less Beer Now Taken

In pre-war days Ontario and Quebec had similar liquor laws. Quebec drank 6 gallons of beer per capita annually; Ontario drank 9 gallons. Today Quebec has a liquor law permitting beer sale in grocery stores and in taverns, clubs and restaurants. Ontario permits drinking only in homes and hotel rooms and there is no sale except at brewery doors, brewers' warehouses and government liquor stores. As a result, Ontario drinks officially only 3 gallons of beer per capita per year while Quebec drinks 9 gallons. What Ontario drinks unofficially is another matter; there are said to be 150,000 home brew permits in the province. Home brewers get the same alcoholic content without the professional flavor to their beer. They enjoy economy and convenience and avoid the seven cents in taxes that the federal and provincial governments take on every 21 cent sale of a "quart" bottle of brewery product.

Brewery companies see the possible way out of their depression as along one or both of two major avenues of escape. One is a merger of all the breweries of the province that would permit about two-thirds of the 35 plants in the province to be closed entirely. The other is a new liquor law.

Campaign For New Law

There is no evidence that the present Ontario government has any intention of restoring sale of beer by the glass. Brewers do not ask to have the tavern back; but they would like permission to sell beer in restaurants and clubs.

The old Moderation League of Ontario has recently been revived. That it has brewery, hotel and similar support is not denied. It is conducting a vigorous campaign for revision of the Ontario law in respect to the sale of beer and the so-called light wines.

Chief argument of the League is that Ontario is losing tourist trade to Quebec. One of its first acts was to make a survey of the destination of tourists entering Ontario. It found that most of them were headed Quebec-wards; that they spent little in Ontario but saved their money to spend in Quebec. Asked why, the majority of the tourists are stated to have replied that they liked the Quebec liquor law.

Ban on advertising of liquor in Ontario remains in force. Apparently each brewery is permitted to have one large electric sign on its own plant. Largest electric sign in Ontario is atop a Windsor brewery and can be read by thirsty Detroiters across the river. Plenty of advertising novelties are circulated in the province. Most of them advertise imported or Quebec brands. The assumption is, or is supposed to be, that this material issues from outside the province. Also advertising matter appears in newspapers and periodicals published outside Ontario but circulating in the province. This gives an advantage to the products of distilleries and breweries outside the province. Several of the Ontario breweries have lines of soft drinks out under the same brand names as their beers. These soft drinks are vigorously advertised and start word of mouth advertising which may or may not have an effect on the sale of the same name beers.

Change in Beer Habits

Breweries report a change in Ontario beer-drinking habits. Formerly a ninety per cent ale province, the Ontario has turned to lager beers which now make up over a third of the sales. Alcoholic content is the same in ale and lager, but lager is lighter in weight and can be drunk well iced, which is said to be an advantage on a hot summer day.

Prominent in the campaign for a new liquor law is R. Home Smith, Toronto financier and Conservative worker. Mr. Smith, brewers declare, has no interest in any of the breweries but has a large interest in the tourist traffic.

Canadian Importers Want More British Manufactures

Secondary Process Manufacturers and Merchants Claim Their Views Should Have Been Represented in Pourparlers With British Representatives

Secondary process manufacturers and merchants, who have been accustomed to purchasing their requirements from Canadian, British and foreign mills in order to get as diverse and appealing products as possible, are complaining that pourparlers between representatives of British industrial interests and primary manufacturers in Canada have not taken interests of such importers into account. These importers claim that they also should have been sitting in at these preliminary conferences where the ground work is laid for any arrangements or conclusions arrived at when the Imperial conference actually meets.

Canadian Mills Do Well

One merchant, who buys largely from Canadian mills and from British and foreign mills as well, expresses the opinion that the textile representatives have gone back to Great Britain with an entirely inadequate idea of the Canadian view because their information has come altogether from their competitors, the primary textile manufacturers in Quebec. This merchant states that those manufacturers in Quebec have modern machinery and are as well equipped and staffed to produce textiles as are any mills in the world so far as they go; but where the largest of these mills gives a choice of 600 varying articles the need to meet tastes of customers is for 3,000 items differing in some particular of weave, color or style. It is claimed that merchants are losing heavily because the variety and price advantages which formerly they could offer to United States tourists are no longer here and that, high as the United States tariff is, purchases can now be made in European markets as advantageously because of the high value of the United States dollar and that therefore tourists find they can buy as well at home as in Canada.

Goods Assortment Narrowed

Two years ago, it is claimed, tourists could buy in Canada what they could otherwise have got only by going to Vienna, Geneva, Paris,

(Continued on page 13)

New Officers of Chartered Accountants

H. A. SHIACH

H. D. LOCKHART

C. S. EDDIS

KRIS A. MAPP

Forty-ninth annual meeting of the Institute of Chartered Accountants of Ontario was held recently.

The retiring president, Fred J. Stiff, F.C.A., stated that as the year 1933 would make the fiftieth anniversary of the Institute, it was planned to have a suitable celebration of the event.

The election of officers and council for the ensuing year resulted as follows:

President, Harold A. Shiach.

First vice-president, H. D. L. Gordon.

Second vice-president, C. S. Eddis.

Secretary-treasurer, Kris A. Mapp.

Council—A. G. Calder, G. D. Campbell, C. S. Eddis, H. Percy Edwards, J. F. Gibson, H. D. Lockhart Gordon, H. E. Guilfoyle, Kris A. Mapp, W. J. Saunders, A. B. Shepard, H. A. Shiach, F. J. Stiff, J. W. Taylor, A. S. Tindale, G. A. Welch.

Representatives on council of the Dominion Association of Chartered Accountants: H. A. Shiach, H. E. Guilfoyle and Kris A. Mapp.

Auditors—Henry Glover, Norman B. McLeod.

Registrar—W. J. Valleau.

RETAIL DOLLAR BUYING POWER UP 25 PER CENT

Rents Have Dropped 12 Per Cent Since 1930, Says Bureau

MANY CHANGES

All Wholesale Groups Continue Fractional Declines — Gas Tax Causes Increase

Purchasing power of the consumer's dollar took another upward turn in May according to figures released by the Dominion Bureau of Statistics recently in its monthly summary of prices and price indices in Canada.

The bureau's index of retail prices, rents and services is now down to 81.8 as compared with 83.7 a month ago, 90.4 in May, 1931, and 102.1 at the peak period of January, 1930. This means that in the two and one-half years retail prices have dropped just 20 per cent or that the purchasing power of the consumer's dollar has increased exactly 25 per cent.

Rents Cause Drop

The big drop for May—which incidentally is the largest monthly decline to be recorded since the index started tumbling in 1930—is due largely to a precipitous downturn in the bureau's index of rents in Canada. It should be explained that the index of rents is only calculated semi-annually after the moving trek of May and October has taken place, accordingly for months other than May and October when the new rental changes appear, the index is likely to lag somewhat behind due to the general reductions in dwelling rents that have been taking place in the past two years. The new rental index is now 5½ per cent below the October, 1930, figure and has declined 12 per cent since the peak of the summer of 1930.

Food was also considerably lower in May the bureau's index of retail food prices dropping actually below the 1913 level to 62.9 as compared with 65.4 the previous month, 77.7 in May, 1931, and 106.5 in the peak month of January, 1930. This means that retail food prices as compiled by the bureau are now 40 per cent lower than at the peak and that the purchasing power of the food dollar has soared almost 70 per cent. In all indices the average prices for 1926 equal 100.

Gas Tax Cause Increase

Fuel was also slightly lower during the month. Clothing items will not be changed again until June being adjusted only quarterly, and the sundries index was slightly higher due to increased taxes on gasoline which more than offset reductions in furniture, draperies and so forth.

Comparative figures are as follows:

Index Numbers of Retail Prices, Rents and Costs of Services
(1926 — 100)

	May, 1932	Apr., 1932	May, 1931	1926-32 Peak
Food	62.9	65.4	77.7	106.5
Fuel	91.4	93.1	94.1	97.1
Rent	92.9	98.3	102.8	105.5
Clothing	74.5*	74.5	84.7	97.6
Sundries	97.1	97.1	98.2	99.2
Total	81.8	83.7	90.4	102.1

*Adjusted only each quarter.

Wholesale Price Changes

The bureau's index of wholesale commodity prices for May also moved to new low ground by declining from 68.4 the previous month to 67.7. This index is compiled from the prices of 502 commodities and the corresponding figure for May, 1931, was 72.6, which compares with a peak for recent years of 98.4 in August, 1929. Since the index is based on average prices for 1926 equalling 100, this means that since that year wholesale prices have slumped to over 32 per cent while since the peak of 1929 the drop has been a steady one of over 30 per cent. In terms of purchasing power this means that the buying power of the wholesale commodity dollar has increased 45 per cent since the middle of 1929.

Analysis of the important changes in the May index shows that of 502 items, 65 quotations were higher; 107 were lower and 330 remained unchanged. The changes were important enough to affect all the chief groupings of the index, every one of which showed a greater or less decline with the single exception of iron and its products which remained unchanged. Comparative figures for chief components of the index are as follows:

Wholesale Commodity Prices in Canada
(1926 — 100)

	May, 1932	April, 1932	May, 1931
Total index	67.7	68.4	72.6
(a) By Chief Component Materials:			
Vegetable prod.	56.7	57.1	58.6
Animal prod.	58.1	60.2	72.4
Fibres, textiles	70.3	71.1	74.2
Wood, paper, etc.	73.4	74.0	80.9
Iron & prod.	86.5	86.5	87.5
Non-ferrous metals	57.2	58.5	63.6
Non-metallic min.	85.9	86.0	84.7
Chemicals	83.2	83.3	86.9
(b) By Purpose:			
(1) Consumers goods	71.5	71.8	76.1
Food, beverages	60.6	62.1	70.6
Other goods	78.7	78.3	79.7
(2) Producers goods	[illegible]	[illegible]	[illegible]
Equipment	[illegible]	[illegible]	[illegible]
Materials	[illegible]	[illegible]	[illegible]
Bldg. & construc.	[illegible]	[illegible]	[illegible]
Mfrs. materials	[illegible]	[illegible]	[illegible]
(c) By Origin:			
Raw & part mfg.	[illegible]	[illegible]	[illegible]
Fully Manuf.	[illegible]	[illegible]	[illegible]

Ship Herrings to Hong Kong

Frozen herrings from British Columbia are finding a ready and appreciative market in Hong Kong, among the European residents, according to the latest reports to hand. Several shipments have already gone forward in recent months. In preparing the herring for this trade the producers select first quality fish, freeze them without salt and put them up for market in 50-pound cases.

General Trust of Canada

Dividend No. 13

A dividend of 1½%, being at the rate of 6% per annum, for the quarter ending June 30th, 1932, on the preference stock of the Company, has been declared, payable July 2nd, 1932, to shareholders of record on June 25th, 1932.

RENE MORIN,
General Manager.

Montreal, June 23rd, 1932.

"CANADA DRY"

Ginger Ale, Incorporated
A Delaware Corporation

Dividend Notice

At the meeting of the Board of Directors of Canada Dry Ginger Ale, Incorporated, held June 20, 1932, a regular quarterly dividend of thirty cents ($.30) per share was declared, payable July 15, 1932, to stockholders of record at the close of business July 1, 1932.

R. W. SNOW, *Secretary*

Crown Trust Company

Dividend No. 86

Notice is hereby given that a Quarterly Dividend of 1¾% for the period ending June 30th, 1932, has been declared on the Paid-Up Capital Stock of this Company, payable July 2nd, 1932, to Shareholders of record at the close of business June 30th, 1932.

By Order of the Board.

J. G. McKAY,
Secretary.

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1932.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1932.

On the Common Stock, Seventy-five Cents (75c) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1932.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal,
June 27, 1932.

Silverwood's
DAIRIES, LIMITED

Dividend Notice

Notice is hereby given that a quarterly dividend of one and three-quarters per centum (1¾%), being at the rate of 7% per annum, has been declared on the Preference Shares of the Company, to Shareholders of record as of June 30th, 1932, payable July 30th, 1932.

By Order of the Board.

J. H. GILLIES,
Secretary.

THRIFT
STORES, LIMITED

DIVIDEND NOTICE

NOTICE is hereby given that the following dividends have been declared by Thrift Stores, Limited:

One and five-eighths per cent (1⅝%) on the 6½% FIRST CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES, and

One and three quarters per cent (1¾%) on the SECOND CUMULATIVE REDEEMABLE CONVERTIBLE PREFERENCE SHARES.

Both dividends are for the quarter ending June 30th, 1932, payable July 1st, 1932, to shareholders of record June 22nd, 1932.

By order of the Board of Directors,
THOS. F. MUNDY, Sec.-Treas.
Montreal, June 23rd, 1932.

Distribution No. 3

FIRST ALL-CANADIAN TRUSTEE SHARES

Ordinary

Coupon No. 3 attached to certificates for the above shares will be paid at par in the amount of Thirty Cents (30c) per share, on and after June 30th, 1932, on presentation at the Offices of Capital Trust Corporation, Limited, Trustee, in Montreal, Toronto and Ottawa. This distribution includes all dividends paid on the stocks underlying First All-Canadian Trustee Shares during the six months beginning December 21st, 1931, all dividends declared on underlying stocks for the period ending June 30th, 1932, and awaiting payment not being included.

MONTREAL DEPOSITOR
CORPORATION
Depositor.

Canadian Bronze Company Limited

Dividend Notice

THE quarterly Dividend of 1¾% on the PREFERRED STOCK of the CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of August, 1932, to Stockholders of record as of the 20th day of July, 1932.

Also a quarterly Dividend of Thirty-one and one-quarter (31¼) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending July 31st, 1932. Payable the 1st day of August, 1932, to Stockholders of record as of the 20th day of July, 1932.

By Order of the Board,

W. C. PAQUETTE,
Assistant Secretary.

Montreal, P.Q.,
June 24th, 1932.

ENGLISH ELECTRIC EARNINGS IN 1931 BELOW DIVIDENDS

Current Assets 20 Times Current Liabilities—Conserving Resources

Statement for 1931 of English Electric Co. of Canada, just issued, shows that the company ended the year with a greatly strengthened financial position although adverse business conditions resulted in declining earnings. Profits in the last three years have dropped from $340,831 in 1929 to $220,929 in 1930 and to $65,343 in 1931. After charging $40,000 to depreciation there remained only $25,343 from the year's profits to pay dividends of $120,000. The company therefore trenched on accumulated surplus which dropped during the year from $481,026 to $386,369.

CONSOLIDATED INCOME & SURPLUS ACCOUNT
Years Ended Dec. 31

	1931	1930	1929
	$	$	$
Net earn.*	65,343	220,930	340,830
Less: Prov. for deprec.	40,000	40,000	40,000
Net profit	25,343	180,930	300,830
Less appropriations: Class "A" divds.	120,000	120,000	120,000
Surp. for year	†94,657	60,930	180,830
Add: Pr. surp.	481,026	420,096	254,505
Less: Prior yr. inc. tax	.....	.....	15,239
Bal. for.	386,369	481,026	420,096

* After providing for income tax.
† Deficit.

R. A. Stinson, president, states that the company intends to follow the policy of conserving resources strictly until demand for electrical products once again revives. During the depression operating losses are hard to avoid but general economies have been effected throughout the organization and the St. Catharines plant is functioning at a minimum of expense.

The working capital position had a relative advance, mainly due to decline in accounts payable and to cash being increased from $134,041 to $794,392 while call loans of $600,000 disappeared from the current assets. Investments dropped from $28,883 to $22,502, accounts receivable from $210,125 to $82,963 and inventories from $220,510 to $145,256. Current assets were therefore down from $1,193,559 to $1,045,113, but this was offset by a decline as well in current liabilities from $128,591 to $54,494, the whole decline being represented by a fall in accounts payable from $98,591 to $24,494.

WORKING CAPITAL

	1931	1930	1929
	$	$	$
Curr. assets	1,045,113	1,193,559	1,134,895
Curr. liabs.	54,494	128,591	146,139
Work. cap.	990,619	1,064,968	988,756
Ratio	19.21—1	9.28—1	7.77—1

Plants and fixed assets generally including patent rights and goodwill gained slightly from $2,166,404 to $2,185,683 and depreciation reserve from $610,394 to $650,363. Market value of investments is stated to be $20,000.

Lake of Woods Milling General Manager Resigns

From Our Own Correspondent

MONTREAL.—N. J. Breen, general manager of Lake of the Woods Milling Co. is retiring from that position effective August 31. Mr. Breen, for many years western manager of Lake of the Woods Milling, was recently made general manager. He has been with the company for 36 years.

He will continue to serve as a director and also as president of the Sunset Manufacturing Co. bag manufacturing subsidiary of Lake of the Woods. No appointment has yet been made to fill the vacancy.

Dominion Coal Output Records Seasonal Gain

From Our Own Correspondent

MONTREAL.—Output of the Glace Bay collieries of the Dominion Coal Co. for May shows an increase of about 40,000 tons over the preceding month's production, with 193,042 tons brought to the surface. The output, however, was some 80,000 tons below that reported for the same month last year.

DIVIDEND NOTICES

Dividend Number 221
Extra Dividend Number 3

Hollinger Consolidated Gold Mines, Limited

A regular dividend of 1 per cent and an extra dividend of like amount, making 2 per cent in all, have been declared on the Capital Stock of the Company, payable on the 14th day of July, 1932, on which date cheques will be mailed to shareholders of record at the close of business on the 30th day of June, 1932.

DATED the 23rd day of June, 1932.

I. McIVOR,
Assistant-Treasurer.

Hamilton Bridge Company, Limited

Notice of
Preferred Stock Dividend

Notice is hereby given that a dividend of 1⅝% has been declared on the outstanding 6½% CUMULATIVE FIRST PREFERRED STOCK of Hamilton Bridge Company, Limited, for quarter ending July 31st, 1932, payable the 1st day of August, 1932, to Shareholders of record as at the close of business on the 15th day of July, 1932.

By Order of the Board.

F. G. WILSON,
Secretary.

Canadian Car & Foundry Company, Limited

Dividend Notice — Ordinary Stock

Notice is hereby given that a dividend of Fifteen cents (15c) per share on the paid up Ordinary Stock of the Company for the quarter ending August 15th, 1932, has been declared, payable on the 30th day of August, 1932, to shareholders of record on the 15th day of August, 1932.

By order of the Board.

A. C. Bourne,
Secretary.

Montreal, June 27th, 1932.

Borden's

COMMON STOCK DIVIDEND No. 90

A quarterly dividend of fifty cents (50c) per share has been declared on the outstanding common stock of this Company, payable September 1, 1932, to stockholders of record at the close of business August 15th, 1932. Checks will be mailed.

The Borden Company
WM. P. MARSH, *Treasurer.*

Loblaw Groceterias Net Profit Maintained

Net earnings of Loblaw Groceterias Co. were in excess of $1,150,000 in the year ended May 31, 1932, before provision for Federal taxes. This compares favorably with $1,206,635 in the previous year in face of a decline of some 11 per cent in dollar volume of sales due to lower commodity prices. Unit volume of business was increased. Federal income tax reserve of $122,000 was allowed in the year ended May 31, 1931, and it is understood that taxes in the year just ended will not show any substantial increase.

On the above basis earnings of approximately $1.20 per share are indicated on the 850,841 Class A and B shares outstanding. In the previous year shares earned $1.27. Current dividend rate on both classes of stock is 80 cents per year. The annual statement of the company will be mailed to shareholders within the next few days.

CANADIAN CAR BUYS PREFERRED IN OPEN MARKET

Recent By-law Enables Company to Earn 16 Per Cent

From Our Own Correspondent

MONTREAL.—Canadian Car and Foundry Co. is reported to have purchased a substantial block of its own preferred shares on the open market for cancellation. Details have not been made public, but it is stated that the buying has run into several thousand of the 300,000, $25 par value, preferred shares.

This move has followed approval last year by shareholders of a by-law permitting the company to redeem and cancel its preferred stock at prices up to and including $25 a share. Prior to passing this by-law preference stock was non-callable.

Canadian Car, through its present ability to buy preferred stock at market prices is able to strengthen its position. Assuming the purchase of shares at $11 the return on the money so expended would be approximately 16 per cent. Dividends on the preferred are paid at the rate of $1.75, or 7 per cent.

Plenty of Liquid Funds

The strong working capital position exhibited in the balance sheet of September 30, 1931, showed the company was in a favorable position to take advantage of the new by-law. Holdings of Dominion of Canada bonds were $2,135,290, cash totalled $360,030 and accounts receivable were $2,033,143.

Outlook for common stockholders is also improved by the redemption of preferred shares. Junior to the preferred there are 365,800 common shares and as outstanding preferred is cleared away so is the common status strengthened. Dividend requirements on the senior stock were $525,000 annually.

Another point which might be borne in mind is the fact that the preferred participates with the common in all dividends over $1.75 paid on the common. If the time does come when dividends are increased on the common a smaller distribution will be required for the preferred stock's share.

Western Hardware Trade Busy With Harvest Goods

Attention is turning to the crop prospects in rural districts of both eastern and western Canada. Reports are that a heavy yield of grains is anticipated in Canada this year, and despite the fact that prices are low, many farmers have cut their production costs considerably. The marketing of such a crop will circulate a considerable amount of money among the farmers. Already there is reported a good demand for various hardware lines used during the harvest season. Haying activities are under way, and rope, rakes, forks, etc., are becoming active sellers, states Hardware and Metal, Toronto.

Some minor price changes are made by jobbers this week. The action of the Dominion Government in including the U. S. manufacturers' taxes as part of the "fair market value" of goods shipped into Canada, is expected to make a material advance necessary on merchandise so affected. Some of the hardware lines on which a tax has been levied in the U. S. market are radio sets, gasoline, lubricating oil, sporting goods, tires and tubes, rifles, ammunition and mechanical refrigerators.

NOTICES

A well established Canadian Manufacturer, with good British connection since 1928, requires a Manager for English Branch, experienced in business dealings with large department stores and financially able to invest $10,000 to $20,000.

Box 321, The Financial Post,
Toronto

Canadian, age 44, at present unattached, wishes to represent Eastern manufacturer for province of British Columbia. Twenty eight years' general business experience at home and abroad. If necessary, in a position to finance desirable agency. Bank and other references upon request.

A. W. McCALLUM,
1353 Craigdarroch Rd.,
Victoria, B.C.

Established Industry Needs Additional Capital

$10,000 will purchase interest in a concern manufacturing a line needed in every home. Several valuable patented specialties and inventions already proved to be valuable. The plant, with above additional capital, is capable of turning out $125,000 of products per year with a margin of net profit not less than $20,000.

Box 320
The Financial Post
Toronto 2

MANY MAGNATES OF BRITISH TRADE ATTENDING PARLEY

Preliminary List of Unofficial and Official Delegates Prepared

By Staff Editor

OTTAWA. — Who's coming to the Imperial Conference?

Canadian business men, bankers, and officials are anxious to know whom they will meet if they go to Ottawa during the four or five week period beginning July 21.

British Industrialists Coming

Since a great number of industrialists and prominent personages who are coming are making their own individual arrangements it is difficult to get any complete picture of those who will be there, outside the official delegates from each country. However, The Financial Post has obtained from Ottawa a list of British industrial and business representatives who have definitely planned to come and, in addition, we publish herewith the latest list of official delegates.

The business and industrial officials, followed by the official delegates are as follows:

BRITISH INDUSTRIALISTS ATTENDING CONFERENCE

Sir Robert Horne.

Shipping Federation:
A. Clemenson.

National Federation of Iron and Steel Manufacturers:
A. J. Grant, president.
Sir William Larke, director.
Geoffrey Summers, John Summers & Sons, Ltd.
Gavin Stewart, Stewart & Lloyds.
Fred Smith, C.B.E., British Ropes, Ltd.
George Smith, Frederick Smith & Co. (wire manufacturers).
Julian Piggott, gen. mgr. British Steel Export Association.

Association Chambers of Commerce:
R. B. Dunwoody, secretary.

Federation of British Industries:
Moir Mackenzie, head of Overseas Dept.

National Farmers' Union:
T. Baxter.
Capt. E. T. Morris.

Motor Manufacturers:
Col. Alfred Hacking, permanent director of Motor Manufacturers' Society.
Mr. Bennett.

National Farmers' Union Mutual Insurance Society:
Alderman A. H. Pearce.

Central Associated Chambers of Agriculture:
V. A. Malcolmson.

British Dairy Farmers' Association:
J. G. Stapleton.

National Federation of Iron and Steel Manufacturers:
Sir W. J. Firth, chairman, number of collieries and steel companies, chairman of South Wales Tinplate Corporation.
Sir Edgar Jones, chairman, Welsh Tin Plate Association.

Representatives of the Cotton Trade:
J. Harold Rodier, Robinson & Co., chairman India Section of Manchester Chamber of Commerce.
R. Houghton, G. & K. Dewhurst Ltd.
Sir Richard Jackson, Hoyle & Jackson, Ltd., vice-pres. Federation of Master Cotton Spinners Associations, chairman Empire Cotton Growing Associations.
T. Ashurst, secretary, Cotton Spinners Manufacturers' Association.
Mr. Mothersill.
H. G. Hughes, secretary, Cotton Trade Statistical Bureau.
Representatives of finishing trade not yet selected.

Woollen Textile Trade Manufacturers:
A. Hepworth.

Paper Manufacturers' Association:
Mr. McCarthy and one other representative.

Liverpool Grain Exchange:
Six representatives whose names are not yet available.

OFFICIAL CONFERENCE DELEGATES

United Kingdom:
Rt. Hon. Stanley Baldwin, M.P., lord president of the council; Mrs. Stanley Baldwin; Rt. Hon. Neville Chamberlain, M.P., chancellor of the exchequer; Rt. Hon. J. H. Thomas, M.P., secretary of state for Dominion affairs, and Mrs. J. H. Thomas; Rt. Hon. Viscount Hailsham, secretary of state for war, the Viscountess Hailsham; Rt. Hon. Sir Philip Cunliffe-Lister, G.B.E., M.C., M.P., secretary of state for the colonies; Rt. Hon. Walter Runciman, M.P., president of the board of trade, Mrs. Walter Runciman, Miss Runciman; Rt. Hon. Sir John Gilmour, D.S.O., M.P., minister of agriculture and fisheries.

Commonwealth of Australia:
Rt. Hon. Stanley M. Bruce, C.H., M.C., M.P., assistant treasurer, Mrs. Stanley M. Bruce; Hon. H. S. Gullett, M.P., minister of trade and Customs, Mrs. H. S. Gullett.

New Zealand:
Rt. Hon. J. G. Coates, M.C., M.P., minister of public works, Mrs. J. G. Coates; Hon. Wm. Downie Stewart, M.P., minister of Finance and Customs, Miss Downie Stewart (sister).

Irish Free State:
Sean T. O'Kelly, T.D., vice-president of executive council, minister for local government and public health, head of delegation; S. Lemass, T.D., minister for industry and commerce; Dr. J. Ryan, T.D., minister of agriculture.

Union of South Africa:
Hon. N. C. Havenga, M.P., minister of Finance, Mrs. N. C. Havenga; Hon. P. G. W. Grobler, M.P., minister of lands, Mrs. P. G. W. Grobler; Hon. A. P. J. Fourie, minister of mines and industries, Mrs. A. P. J. Fourie.

Newfoundland:
Three ministers (not named).

India:
Sir Atul C. Chatterjee, K.C., S.I., K.C.I.E., I.B.S., member of council for India office, Lady Chatterjee; Sir George Rainy, K.C., S.I., K.I.E., I.C.B., councoil of Governor-General India; Sir Padamji Pestonji Ginwala, K.T., Lady Ginwala; R. C. K. Shanmukham Chetty, M.L.A.; Seth Haji Abdullah Haroon, M.L.A., Mrs. Haroon, and daughter aged 18, one son aged 16; Sahib Zada Abdus Samad Khan.

Southern Rhodesia:
Hon. H. W. Moffatt, C.M.G., M.L.A., premier; Hon. P. D. L. Fynn, C.M.G., M.L.A., treasurer.

In addition there are those coming as official advisers but who do not appear in the above list. Included are:

Shipping: Sir Alan J. Anderson.
Industry: Lord Weir.
Chamber of Commerce: Sir Gilbert Vyle.
Labor: Walter Citrine; John Bromley.
Agriculture: Sir Douglas Newton.

NATIONAL SYSTEM REVENUE HIGHER

Net Returns for May on Better Scale — Expenses Are Cut

From Our Own Correspondent

MONTREAL.—Decline in gross revenue during May was more than offset by a decrease in working expenses, according to a statement issued by the Canadian National Railways. Gross revenues were off $3,918,273 to $11,686,354 in comparison with the same month last year. Operating expenses were $10,954,559, a reduction of $4,209,378, leaving net revenue for May, 1932, of $731,794, a gain of $291,105 over the same month in 1931.

For the five months period—January 1 to May 31, 1932—gross revenues of $57,750,742 showed a decrease of $15,288,654. The reduction in operating expenses over the period almost kept pace with this. Operating expenses for the 1932 period were $56,569,923, a reduction of $15,035,431. This left net revenue for the 1932 period of $1,180,818, a decrease of $253,222 for the 1932 period as against the same months of last year.

Metal Prices

New York—June 28—
Copper: Electrolytic spot, 5⅞c. lb.
London—June 28—
(Long Ton)—
Copper: Electrolytic spot, £31; future, £32.
Standard spot, £26 15s; future, £26 10s.
Tin: Spot, £111 15s; future, £113 15s.
Lead: Spot, £9 7s 6d; future, £9 10s.
Zinc: Spot, £11 5s; future, £11 12s 6d.
Silver: 16 5-8d. per ounce.

Consumers' Gas Gross Sales Gain Is Seen for Year

Based on actual output for the first three quarters of the year ending September 30, 1932, officials of The Consumers' Gas Company of Toronto expect for the whole year an increase in gross sales.

It is expected also that there will be a balance remaining in the special surplus account despite the fact that there was a reduction in the price of gas in April, 1931. Dominion, provincial and municipal taxes imposed since that date also have added considerably to expenses, but there have been internal economies as well as a gradual though moderate growth in domestic consumption. This last has offset the decline in the use of gas in factories in the period of depression. The special surplus stood at $226,814 as at September 30, last.

The stock of the company is currently selling around $150 per share on the Toronto Stock Exchange. This represents an upturn of several points from the low reached a few weeks ago during a period of general market weakness. Dominion Bureau of Statistics shows a decline in stocks of Canadian utilities generally of about 77 per cent from the peak attained in September, 1929, while the decline in Consumers' Gas stock has been only 27 per cent from the four-year peak achieved in May, 1928.

Fluctuations in the value of this stock continue to bear a steady relation to fluctuations in the yield on Ontario bonds. This is because the company's special charter is regarded as assuring the dividend and because the company is without bonds or preferred stock or any other prior claim on earnings and assets.

CENTRAL AGENCY NOT AFFECTED BY POOL SUIT

Action Against Manitoba Pool is Separate Matter

From Our Own Correspondent

WINNIPEG. — Action against the Manitoba wheat pool, in which the Gillespie Grain Co. asks to have that institution declared bankrupt and a winding-up order issued has no relation to the wheat market or the sale of wheat by the central selling agency of the Wheat Pools.

The latter, under the management of John I. McFarland, and under guarantees from the Dominion Government is still engaged in the marketing of 1930 pool wheat.

Manitoba Wheat Pool is a separate corporation, which has handled no grain since July of last year, when it ceased to receive additional deliveries from farmers and completed delivery to the Central Selling Agency of the wheat it had received. The elevators it formerly controlled were taken over by Manitoba Pool Elevators Ltd., largely controlled by the Manitoba Government, in connection with the guarantees which the provincial government had made of loans to the wheat pool.

Concerns Rental Claim

The action arose out of a claim by the Gillespie Grain Co. for rent of a terminal elevator which up to July of last year was operated by the Manitoba Wheat Pool, and that claim was settled by the entering of a consent judgment for $75,000. It is now claimed on behalf of the Gillespie Grain Co. as a judgment creditor, that no settlement has been made, that the Manitoba Pool is bankrupt and that an order for its winding-up should be made. The action is set down for hearing on July 4. Whatever the outcome there can be no bearing on the marketing operations of the Central Selling Agency.

Presence of pool representatives in Ottawa has directed interest toward probable plans of the Alberta and Saskatchewan Pools for handling the 1932 crop. Their contracts last signed with members covered the handling of five years crops, ending with that of the current year. Last year members were notified that the contracts would not be enforced, and it is understood that similar notice will be given this year. Members who wished to pool their grain were allowed to do so, and operations were financed under a guarantee from the Dominion Government.

The total quantity pooled was insignificant, and the majority of members took advantage of the privilege of selling on the open market. The Dominion Government also guaranteed a line of credit for the open market handling of grains by these two pools and by Manitoba Pool Elevators. It was thought that for another year further guarantees might not be required, especially by the Alberta Pool, whose elevators had a considerable handling this past year. But the very size of the crop in sight in Alberta may create a financing problem there.

The Alberta Pool had planned to take a plebescite this summer giving members a chance to vote on methods to be followed in future. Announcement has just been made that the plebiscite will not be held, as the time is not considered opportune. One of the suggestions that would have been voted on was for members to pool their wheat without receiving any initial payment, and to receive payments only as grain was sold.

Auburn Slashes Prices to Stimulate Turnover

Price cuts on Auburn automobiles, announced more than two weeks ago in the United States, became effective in Canada on June 28, the reductions in the Dominion being on the same proportion as those in the United States.

Auburn Co. announced in the United States that this reduction in prices was not to create a sale of obsolete models, or stock models which are on the company's hands, but that it was a new basis on which the company expects to increase sales and show a profit.

About 700 men have returned to work at the Auburn plant in Indiana and factory production is being speeded up to meet the expected demand for cars caused by the low prices, according to reports from the United States.

SHIPPING MEN SEEK TO STEM DROP IN RATES

Leaders Confer in West—Shipping Pool Under Discussion

From Our Own Correspondent

WINNIPEG.—There are rumors that James Stewart, prominent grain man, is to be the executive head of the new company being formed by Canadian lake steamship interests for the booking of cargoes, but definite information is not yet forthcoming.

Under other circumstances such a move on the part of the vessel owners would cause an outcry against the possibility of combination stifling competition, and being used to raise transportation rates against the producer of grain. But every one recognizes that recently prevailing rates, in the neighborhood of four cents a bushel from the head of the lakes to Montreal, and sometimes as low as three and a half cents, are ruinously low.

Other Competition

It is understood that one of the first steps under the agreement made by the steamship owners will be the laying up of at least half the fleet of Canadian lake vessels in the grain traffic. While this will reduce competition it must be remembered that the shipping of grain by United States vessels to Buffalo will be still possible, and the Vancouver will continue to offer effective competition.

There is consequently doubt as to the effectiveness of the new plan in stabilizing or increasing rates, and the principal benefit derived by the vessel owners may simply be in keeping a smaller number of vessels in service to do the same amount of business.

Plans for Lake Combine

From Our Own Correspondent

MONTREAL. — Great Lakes shipping companies, harassed by dwindling cargoes, over-expanded tonnage and unprofitable freight rates, are planning to stabilize conditions in their industry. Conferences are being held to consider formation of a shipping pool to handle all grain shipments down the lakes; materialization of present proposals may lead to temporary withdrawal of half the present tonnage used in grain shipments.

Shipping conditions have become almost intolerable in the past year or two, steamship men say. Current rates for grain are around 4 cents a bushel at which level it is scarcely possible to cover operating charges. One company is reported to have carried a cargo of grain from Fort William to Montreal for 3½ cents a bushel.

To combat this situation, which shows little prospect of improvement at the moment, shipping companies are planning drastic measures. Discussions centre around establishment of an organization which would be supported by each of the leading shipping companies through stock participation.

Leaders Confer in Winnipeg

Headquarters would be located in Winnipeg where shipping leaders are presently in conference. A manager of the new organization would be appointed with full powers. His job would be to estimate and report on the probable movement of grain and he would keep shipping companies supplied with advices about 30 days in advance of the estimated movement.

All charters of grain down the Great Lakes would be made through this company which would collect freights and brokerage. Each steamship company would be allocated a proportion of the available quantity of grain in accordance with pre-arranged basis of distribution. In this way it is hoped to stabilize conditions and curb the rate cutting which has played havoc with earnings in recent years.

Might Lay Up Tonnage

If the plan went into effect it is estimated that one-half the tonnage on the Great Lakes would be maintained in operation and the other half laid up for the time being. Ships would be loaded in rotation. It is contended that it would be better to have a few ships operating at a profit than have the full fleets operating at a loss. Though there are many vessels idle at the present time observers say that there are still too many for the volume of business offering.

Increase in Tonnage

The expansion in Great Lakes tonnage has found reflection in the industry. In addition to the decline in activity on the Great Lakes, operators have bid keenly for business and rates have been slashed steadily over a period of years. Some indication of this is seen in comparative figures on rates per bushel of wheat from the head of the lakes to Montreal.

Rates Show Decline

Rates of 6.46 a bushel compared with 7.95 cents in the previous year; in 1926 the tariff was 9.60 cents. From the following table it will be seen that present rates are about 50 per cent of those 10 years ago.

	Cents		Cents
1920	11.64	1926	9.60
1921	10.86	1927	8.53
1922	10.60	1928	8.39
1923	10.91	1929	7.72
1924	8.99	1930	7.95
1925	9.03	1931	6.46

C. S. L. Would Benefit

If the results of the conferences now being held are favorable one of the chief beneficiaries would be Canada Steamship Lines, the largest factor in inland shipping in Canada. If rates can be steadied and price cutting eliminated at least the company would not be faced with tariffs which hardly pay operating expenses for a trip down the lakes with grain. Canada Steamships operates 85 freight boats but a considerable number of these have not even been put into operation this year.

Revenues have declined steadily in the past four years. Operating revenue from vessels in 1931 was $8,583,507 compared with $16,248,801 in 1928; net earnings have recorded a similar drop. For the past two years Canada Steamships has failed to fully earn its bond interest needs, after provision has been made for depreciation.

Deficit After Charges

Last year net earnings were $1,467,674; bond interest was $1,201,422. After all charges, including depreciation, there remained a deficit of $1,310,462.

July Dividend Payments Just Exceed $16,000,000

Many Loan Companies Reduce Dividend Rate—List of Changes is Larger Than Usual—Few Pay Extras

Dividend disbursements by Canadian corporations during July will barely exceed $16,000,000, according to The Financial Post compilation. This compares with dividend payments totalling some $21,908,004 in the corresponding month of 1931. The dividend news for the month is lightened to some extent by the declaration of extra dividends by Dome Mines, Wright-Hargreaves Mines Ltd., Montreal City & District Bank, Midland Loan & Savings and Hollinger Gold Mines. Premier Trust Co. dividend rate was increased by $1 to a $6 per year basis.

The toll of dividends passed or deferred and dividends reduced is larger than usual. Consolidated Mining & Smelting Co. and Fanny Farmer Candy Shops deferred dividend payment on the common stocks; while dividend was also deferred on the two preference stocks of City Dairy Co., of Winnipeg, and on the preferred and class A stocks of Associated Telephone & Telegraph Co. Dividend was passed on the common stocks of Canadian Canners, Debenture Co. of Canada, Moore Corp. and Niagara Wire Weaving Co., on the preferred stock of Brandram-Henderson Ltd. and the class A stock of International Hydro-Electric Corp. Cities Service rescinded dividends previously declared. The dividend rate of several trust and loan companies was reduced including that of Trusts & Guarantee Co., National Trust Co., Toronto General Trusts Co., Union Trust Co., Sterling Trusts Co. Central Canada Loan & Savings, Lambton Loan, and Monarch Mortgage & Investment. Reductions were also made by Canadian Canners on its second preference stock and on the common stocks of Bell Telephone Co. of Canada, Consolidated Bakeries, F. N. Burt Co., Building Products, National Steel Car, Riverside Silk Mills, Sun Life Assurance Co., Hunts Ltd., Howe Sound Co. and Supersilk Hosiery Mills Ltd.

Dividend payments in July, as announced to date, are as follows:

SUMMARY OF PAYMENTS

Dividends	$16,008,127
Bond interest	22,823,431
Total	$38,831,558

DIVIDEND PAYMENTS

Company	Rate	Date	Amount
Agnew Surpass, pfd.	1¾q	1	$17,105
Ajax Oil	3c.q	15	29,636
Anglo-Nor. Hold. pfd.	$3.50s	1	52,500
Assoc. Breweries	15c.q	1	33,690
Do., pref.	1¾q	1	21,274
Bank of Nova Scotia	4q	2	480,000
Bell Telephone	1½q	15	1,340,837
Brantford Cordage pfd.	2q	15	34,098
Brazilian Tract. pfd.	1½q	2	5,901
Br. Amer. Oil	20cq	2	524,528
B.C. Elect. Pr. pfd.	1½q	1	75,000
Br. Col. Power "A"	50cq	15	500,000
B.C. Telephone pfd.	1½q	1	15,000
Brit. Mtge. Trust	6s	2	60,000
Bldg. Prod. 'A' & 'B'	35cq	2	42,296
Burt, F. N.	60cq	2	54,504
Do., pref.	1¾q	2	1,089
Calgary Power	1½q	2	52,500
Canada Bread, 1st pref.	1¾q	2	21,875
Canada Bud	25cq	15	37,500
Canada Dry	30cq	15	151,586
Canada Life Assur.	5q	1	50,000
Can. Northern Pr.	20cq	25	75,000
Do., pref.	1¾q	15	96,250
Can. Packers, pref.	1¾q	1	103,021
Can. Perm. Mtge.	3q	2	210,000
Canada Trust	5s	2	50,000
Can. Canners, 1st pfd.	1¾q	1	68,856
Do., 2nd pref.	10cq	1	36,373
Can. Car pref.	44cq	9	132,000
Can. Celanese pfd.	1¾q	1	137,500
Can. Cottons pref.	1½q	4	54,922
Can. Fairbanks pfd.	1¾q	15	22,500
Can. Fire Insur.	$2s	2	40,000
Can. Gen. Electric	$1q	1	188,845
Do., pref.	1¾q	1	149,759
Can. Gen. Invest.	10cq	15	61,264
Can. Industries	62½cq	30	417,431
Do., extra	50c	30	333,945
Do., pref.	1¾q	15	81,375
Can. Light & Pr.	50c.s	15	16,624
Can. Oil pfd.	2q	1	40,000
Can. Wineries	5c	15	5,000
Can. Wirebound B. 'A'.	25c.q	1	19,000
Can. Westinghouse	50c.q	1	270,000
Central Can. Loan	2½q	2	62,500
Chartered Trust	1½q	1	15,000
Confederation Life	$1q	1	10,000
Consol. Bakeries	12½c.q	2	39,805
Consumers Gas	2½q	2	331,250
Crown Trust	1¾q	2	17,500
Dome Mines	25+20c*	20	429,000
Dominion Bank	3q	2	210,000
Dom. Fire Ins.	$3s	2	8,907
Dom. Glass	1¾q	2	53,125
Do., pref.	1¾q	2	45,500
Dom. Rubber pfd.	1¾q	1	32,500
Dominion Stores	30c.q	1	84,714
Dom. Textile	1¼q	2	337,500
Do., pref.	1¾q	15	33,960
East. Can. Savings	$2q	1	15,000
East. Dairies pfd.	1¾q	15	43,750
Eastern Steel	50c.s	1	29,000
Do., pref.	1¾q	1	7,031
East. Theatres pref.	3½s	30	17,500
Edmonton C. Dairy pfd.	1¾q	2	12,788
Eastern Trust	2q	2	20,000
Ensign Insur.	3s	2	6,000
Excelsior Life	1.20s	2	6,000
Fanny Farmer pfd.	60c.q	1	9,454
Freiman, A. J., pref.	1¾q	2	14,056
General Trust pfd.	1½q	2	16,500
Goderich Elevator	35c.q	1	29,402
Goodyear Tire	$1.25q	2	160,787
Do., pref.	1¾q	2	128,551
Gt. West Life	5q	2	50,000
Greening B. Wire pfd.	1¾q	1	11,375
Gurd, Chas.	40c.q	1	24,000
Do., pref.	1¾q	1	4,550
Guelph & Ont. Loan	2s	2	38,600
Guelph Trust	$1.25s	2	7,525
Halifax Fire Insur. c.	60c.s	2	12,000
Highland Dairy pfd.	1¾q	2	3,263
Hollinger Mines	5+5c*	14	492,000
Home Investment c.	$1q	2	9,964
Howe Sound	10c.q	15	48,119
Holt Renfrew pref.	1¾q	2	17,500
Hunts, "A" & "B"	25c.q	2	8,414
Huron & Erie Mtg.	$2q	2	100,000
Imperial Life	$3.75	2	37,500
Intercolonial Coal	50c.s	2	5,000
Do., pref.	$4s	2	3,236
Inter. Utilities pfd.	43¾c.q	15	40,255
Inter. Hydro-El. pf.	87½c.q	15	124,949
Inv. Foundation pfd.	35c.q	15	13,054
Jam. Public Ser. c.	25c.q	2	11,250
Do., pref.	1¾q	2	17,500
Lambton Loan	$2.25	2	17,768
Landed Bkg. & Loan	$2q	2	20,000
London Life Ins.	$2q	1	10,000
Manufacturers Life	$5s	2	75,000
Maritime Tel. & Tel.	20cq	2	71,079
Do., pref.	17½c.q	2	26,250
McColl Frontenac pfd.	$1.50q	15	117,102
Midland Loan & Sav.	5+1s*	2	21,600
Mitchell, J. S., pref.	1¾q	2	5,950
Monarch Mtge. pfd.	10c	15	4,587
Mont. C. & D. Bk.	3+1q*	2	80,000
Montreal Fin. pfd.	$1	2	20,000
Montreal L.H. & Pr.	38c.q	31	1,706,975
Montreal Telegraph	80c.q	15	40,000
Moore Corp. pref. 'A'	1¾q	2	57,537
Do., pref. "B"	1¾q	2	29,359
Muirheads, pref.	25c	1	1,861
Nat. Breweries	40c.q	2	283,548
Do., pref.	44c.q	2	48,840
National Life	62½c.q	1	6,250
Nat. Steel Car	20c.q	2	26,000
National Trust	3q	2	90,000
Niag. Wire Weav. pf.	75c.q	1	16,500
N.B. Telephone c.	15c.q	15	79,288
Noranda Mines	50c	2	1,119,836
Northern Ont. Pr.	50c.q	25	120,007
Do., pref.	1½q	25	37,489
North Star Oil pfd.	1¾q	1	17,500
N.S. Light & Pr. ord.	$1q	2	34,523
Ogilvie Flour c.	$2q	1	150,000
Ont. Loan & Deb.	3q	2	60,000
Ottawa L.H. & Pr.	1¾q	1	52,500
Do., pref.	1¾q	1	24,375
Page Hersey Tubes	$1.25	2	217,815
Do., pref.	$1.75	2	322
Perfection Pete. pfd.	87½c.q	1	3,687
Pioneer Gold Mines	3c.q	2	52,552
Porto Rico Pr. pfd.	1¾q	2	17,500
Power Corp. pfd.	1½q	15	75,000
Do., 2nd pfd.	75c.q	15	75,000
Premier Gold Mines	3c.q	2	150,000
Premier Trust	3s	1	6,900
Provincial Paper pfd.	1¾q	1	61,236
Real Estate Loan	$3.50s	2	17,500
Riverside Silk "A"	25c.q	2	7,500
Robinson Cons. Cone	37½c.q	2	18,750
Security Loan	$3.50s	2	13,893
Sherwin Williams pf.	1¾q	1	60,550
Silverwoods pfd.	1¾q	30	53,220
Sisco Gold Mines	4c	31	190,000
Societe de Prets & P. ord.	$2q	1	15,000
Southern Can. Pr. pfd.	1½q	15	151,886
Standard Fuel pfd.	1¾q	1	22,637
Stand. Steel "A" pfd.	75c.q	5	7,341
Sterling Trusts	$2s	1	15,730
Sun Life Assur.	$3.75q	1	75,000
Supersilk Hosiery pf.	$1.75s	2	10,500
Supertest Pete. pref. "A"	1¾q	2	6,037
Do., pref. "B"	1¾q	2	3,000
Do., com. & ord.	25c.q	2	37,500
Tamblyn pref.	1¾q	1	9,425
Thayers pref.	87½c.q	2	8,750
Thrift Stores 1st pfd.	1⅝q	1	5,687
Do., 2nd pfd.	1¾q	1	2,100
Tip Top Tailors pfd.	1¾q	1	23,478
Toronto Elev. pfd.	1½q	15	26,250
Toronto Gen. Trusts	2½q	2	75,000
Toronto Mortgage	3q	1	29,591
Trusts & Guarantee	$2.50s	1	40,440
Tuckett Tobacco pfd.	1¾q	15	35,000
Union Trust	1¼q	2	12,500
United Securities	50c.q	15	25,631
Viau Biscuit pfd.	1¾q	2	17,500
West Koot. Pr. pfd.	1¾q	2	8,750
Western Grocers pfd.	1¾q	15	20,906
Weston, Geo., c.	25c.q	2	12,500
Wright-Hargreaves	2½+2½cq*	1	275,000
			16,008,127

*Extra. q—Quarterly. s—Semi-annually.

BOND INTEREST DUE IN JULY

Company	Rate	Date	Due	Amount
Acadia Sugar	7	1	1948	$23,25
Do.	6	1	1948	77,000
Aldred Invest. "A"	4½	2	1968	53,84
Atlantic Sugar	6	1	Serial	2,10
Avalon Tele. "A"	5½	1	1948	20,62
Avon River Pr. "A"	5½	1	1956	17,87
Do., "B"	5½	1	1957	5,31
Beauhar. Elec. 'A'	6	2	1958	40,50
Canada Iron	6	1	1939	18,45
Can. Canners	6	2	1950	71,94
Can. Cottons	6	2	1940	97,65
Can. Int. Pap.	6	1	1949	742,50
Can. Light & Pr.	5	1	1949	77,60
Can. Nat. Rly. Gold	5	1	1969	1,500,00
Do.	4½	1	1957	1,462,50
Can. Nor. Alta.	3½	20	1960	56,12
Can. Nor. Ont.	3½	20	1961	509,02
Can. Nor. 1st mtg.	3½	20	1958	138,16
Do., S.F. Gold	6½	1	1946	304,83
Do., Wkg. Term.	4	1	1939	40,00
C. P. Rly. (Algoma)	5	1	1937	91,25
Can. Pac. Rlys.	4½	1	1960	562,50
Do., Eq. Trust	5	1	1944	750,00
Cedars Rapids	5	1	1953	349,50
Chat. St. L. Apts.	6½	1	1940	21,88
Cities Heating	6	1	1948	5,25
Dom. Rubber	5	1	1947	200,00
Dom. Tar & Chem. "A" & "B"	6	2	1949	141,22
East. Twp. Tele.	6	2	1932	3,45
Getty & Scott	7	2	1940	8,31
Harris Abattoir 'A'	6	1	1947	106,72
Inter. City Bak. 'A'	5½	1	1948	48,23
Int. Pr. & P. Nfld.	5	1	1968	121,65
Jam. Pub. Ser. 'B'	5	1	1950	50,00
La Patrie Pub.	6½	1	1943	13,00
London Cold Stor.	6	1	1938	1,30
Manitoba Pr. "A"	5½	1	1951	375,00
Do. "B"	5½	1	1952	68,75
Maritime Tele.	6	1	1941	45,00
Do., refund. "A"	5	1	1956	25,00
Metropol. Bldg.	7	15	1944	31,2
Do., Series "A"	7	15	1941	3
Montreal Apts.	5½	1	1948	198,8
Montreal Trams. "A"	5	1	1941	333,7
Moirs, Ltd.	6	1	1946	50,6
Moodie, J. R., "A"	6½	1	1943	22,5
Nfld. L. & Pr. "A"	6½	1	1949	31,6
Do., mtg. debs.	7	1	1949	16,6
Do., 1st mtg. "B"	5½	1	1971	22,0
Nor. Mex. Pwr.	7	1	1938	19,1
North. Ont. L. & P.	6	1	1950	15,4
Northwest'n Pr. 'A'	6	2	1960	300,0
North. Ont. Pwr.	6	1	1953	106,0
Ont. Steel Prod.	6	1	1943	9,09
Ottawa Gas	5	1	1934	3,75
Ott. Traction "A"	5½	1	1955	75,0
Postal Tele.	5	1	1953	1,266,7
Profess. Offices	7	1	Serial	7,5
Reliance Grain "A"	6	2	1948	37,5
Rio Janeiro 1st mtg.	5	1	1935	625,0
Royal Ex. Corp.	6	2	1948	14,11
Do.	7	2	1938	3,5
Ruddy, E. L.	6½	1	1948	22,8
Saguenay Elec.	5½	1	1953	37,40
Shaw. Falls Term.	5	1	1957	3,44
Sher. Rly. 1st mtg.	5	1	1940	15,0
Simpson's, Ltd. 'A'	6	2	1949	237,7
Do., "B"	5½	2	1949	33,67
Simpson, Robt.	6	1	1952	37,6
Steel of Canada	6	1	1940	133,14
Sterling Coal	6	1	1940	22,3
St. Cath. St. Rly.	6½	1	1946	3,61
St. Jas. Ct. Apts.	6½	30	Serial	4,5
St. Law. Flour	6	1	1941	3,40
200 St. Clair	7	1	1945	5,45
Stanley Realty	7	1	1945	14,0
Un. Gas & Fuel	5½	1	1948	50,03
Un. Grain "A"	5	2	1948	86,12
Vancouver Pr. deb.	4½	2	Perp.	154,9
Do., debs.	4½	15	1953	3,5
Viau Biscuit	6½	1	1946	11,15
Vict. Manor Apts.	7	21	Serial	4,7
West. Can. Hyd. El.	6	1	1950	30,0
Do., conv. debs.	6½	1	1945	11,3
Western Grain	6	2	1949	87,5
Western Power	5	1	1949	102,747
Windsor Hotel	6½	1	1943	70,404
Winnipeg Elec. 1st ref.	5	1	1935	125,000

Corporation bonds	13,461,781
Municipal bonds	*5,541,67
Provincial bonds	*3,820,000
Total	22,823,431

*Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

STANDARD FUEL ADDS TO SURPLUS

Preferred Dividend Well Covered—Common Earned 49c Per Share

Net profit of Standard Fuel Co. amounted to $113,252 in the year ended March 31, 1932, after deduction of depreciation and taxes and after payment of preferred dividends there remained $23,105 or 49 cents per share applicable to the 50,000 shares of common stock. In the previous year net profit was $145,668 and the common shares earned 99 cents after deduction of preferred sinking fund requirements.

Income and surplus account of the company and its subsidiaries, Standard Fuel Co. of Toronto, Ltd., Milnes Coal Co. and Milnes Fuel Oil Ltd. is as follows:

CONS. INCOME AND SURPLUS ACCT.
Years Ended March 31

	1932	1931	1930
	$	$	$
Net earn.‡	131,243	160,008	170,384
Less: Res. for inc. taxes	17,991	14,340	10,675
Net profit	113,252	145,668	159,709
Less appropriations: Pref. divds.	90,147	90,634	91,000
Surp. for year	23,105	55,034	68,709
Add: Pr. surp.	557,145	502,111	433,402
Less: Tax adj., 1931	9,221	.....	.....
Bal. car. for.	571,029	557,145	502,111

‡After deducting provision for depreciation.

Working capital position was improved but cash dropped to $344,079 from the previous year when cash was $235,180 and call loans $150,000. Inventories are up to $243,347 from $167,259; investments at cost are up to $186,938 from $130,990 and receivables are down to $417,577 from $449,780. The company has no bank loans and payables are shown at $233,689. Working capital position is as follows:

WORKING CAPITAL

	1932	1931	1930
	$	$	$
Curr. assets	1,191,940	1,133,209	1,096,612
Curr. liabs.	294,773	271,745	264,721
Work. cap.	897,167	861,464	831,891
Ratio	4.04—1	4.17—1	4.14—1

Capital assets are carried at $1,167,353, slight increase over preceding year, and deferred charges total $41,402. Reserve for depreciation has increased to $149,895 from $113,454.

Railway Earnings

Canadian Pacific Railway

May	1932	1931	Decr.
	$	$	$
Gr. earn.	9,517,355	12,305,828	2,788,473
Exps.	8,779,990	11,231,579	2,451,589
Net earn.	737,364	1,074,249	336,885
From Jan. 1:			
Gr. earn.	47,545,497	59,585,001	12,039,504
Net earn.	3,673,263	4,886,535	1,213,272

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

Mathews Steamship

We have a client who holds $2,000 Mathews Steamship Co. 6 per cent Series "A" First Mortgage Bonds, which are due Oct. 1, 1940. Of course, the interest has not been paid for some time.

By selling now a price of about 25 could be obtained. Do you think the present position of the company would warrant our client's retaining these bonds or would you advise her to sell and take the loss?

Since 1931, Mathews Steamship Co. has been operated by G. C. Clarkson as receiver and manager and in 1931 earned operating expenses by a margin of some $75,000 and boats were maintained in good working order. So far, in the current year, there has been considerable rate cutting and we understand that operations have been negligible. Heavy export of grain later in the year may change the picture considerably but at the present time it would hardly seem likely that the company should earn bond interest in 1932. We have been unable to find a market for the bonds. It would appear that a considerable time might elapse before the company could pay bond interest.

Irreducible Minimum

Common stock of American Tel. & Tel., the parent company of Bell Telephone, is down to the latter's level. Would a switch be advisable from Bell Telephone to Am. Tel. & Tel.?

The United States are in a bad way and the public is gloomy for that country, but I am suspicious also of Bell Telephone's prospects for 1932 and their ability to keep up dividends. A very large number of phones have been removed from the government service at Ottawa (2,500 I believe) and business and other houses are no doubt economical in the same way and so 1932 should be worse than 1931 for Bell Telephone.

Though the service of The Financial Post to investors does not cover companies whose operations are outside of Canada and whose stocks or bonds are not listed in Canada, you have linked the names of American Telephone & Telegraph and Bell Telephone Co., that is, of parent and child, in a way which demands attention. These two are parent and child with the major part of Bell Telephone stock now held in Canada. The connection is close enough, however, that the American company lent the Canadian company $9,075,000 in 1931 so that the latter would not lose money in remitting to the United States under present conditions of exchange. The United States company owns 24.5 per cent of the stock of the Canadian company. The huge loan made to the Canadian company is not so difficult for it to carry as might seem. The company has no bank loans although in some years its temporary bank loans have gone up over $6,000,000. The American Telephone & Telegraph in this instance has taken the place of the banker and is a friendly banker with an interest in the business.

While conditions in Canada are undoubtedly better at present than in the United States The Financial Post does not share your gloom as to the long future of that country. It may well be that the very length to which depression, liquidation and deflation have gone in that country may bring about sounder conditions on which to build again. If Canada can continue to avoid the worst miseries and penalties that go with extreme deflation, however, its position in the end will be better.

You can give far too much importance to the necessary economies being effected by governments and business companies in your consideration of the effect on Bell Telephone Co. There is an irreducible minimum beyond which such economies cannot go without interfering with efficiency and when that point has been reached the natural growth of communities, of production, of wealth and of trade wil once more bring a period of advancing use of the telephone.

Before deciding on a switch from Bell Telephone to American Telephone & Telegraph you should consider the fact that just now you buy American Telephone & Telegraph Corp. common stock against adverse exchange and you should decide in your own mind whether or not you think the long prospects of Quebec and Ontario where Bell Telephone has a virtual monopoly as good as or better than comparable territory in the United States served by American Telephone & Telegraph.

The dividend has been reduced from $8 to $7 a share by Bell Telephone. The Financial Post cannot say whether that is the last reduction or not but the management can be trusted to do whatever seems in the best interests of all concerned, having regard to efficiency of service, contentment of employees, expansion needs and value of investment. Expansion cannot today be economically financed by the public, but the day will come when it can. In the meantime conservation of liquid resources is essential.

Long distance revenue is down considerably both in the United States and Canada. That will revive when business does. Quickness of communication is essential to any live business and in direct ratio to the activity of business.

Photo Engravers

I should like sufficient information regarding Photo Engravers & Electrotypers Ltd. to enable me to form an opinion as to the desirability of this stock for a long term investment with particular regard to future appreciation.

Photo Engravers & Electrotypers Ltd. was originally established in 1906 and was publicly financed in 1927. The company is one of the recognized leaders in its industry in Canada, producing photo engravings, electrotypes, stereotypes, photo stats, rotogravure and commercial art work.

For a number of years the company has done considerable work for Robert Simpson Co. in the preparation of that company's mail order catalogues and early in 1931 a ten-year contract between the two companies was made on a cost plus basis. Photo Engravers moved its entire plant to the Simpson mail order building and purchased over $500,000 of new equipment including presses which would enable the company to do all of the work on Simpson's mail order catalogue.

Total sales of the company in the year ended February 28, 1932, are reported at $1,042,164 as compared with $794,194 in the previous year and $905,982 in the 1929-1930 period. Net earnings also showed some increase but depreciation reserve jumped to $68,282 from $29,623 and income tax at $14,172 was practically doubled with the result that earnings on the common stock dropped to $2.04 per share from $2.95 and $3.19 in the two preceding years. To date the company has maintained its annual dividend rate of $2 per share. Due to the substantial increase in investment in fixed assets the current position of the company changed materially and at February 29, 1932, current liabilities exceeded current assets by $302,889 whereas in the preceding year current assets exceeded current liabilities by $230,748. Due to general conditions the company was not able to finance permanently the expenditures on fixed assets and there would seem to be some possibility that dividends would be cut at some future date to strengthen, working capital.

When general business improves and advertising schedules are increased the company should benefit materially and returns from the Simpson's contract are expected to be sufficient to write-off new capital investment within the ten-year period, and in addition show a satisfactory progress.

Since there are only 30,000 no par common shares outstanding of which a good proportion is closely held, there is no substantial market interest in the stock.

Dominion Gas & Electric

We would like very much to receive your comments on the Dominion Gas & Electric First Lien & Collateral Gold Bonds 6½ per cent, 1945, which are currently selling in Canada on a basis to yield about 13 per cent. According to the latest information we have their earnings for the 12 months ended March 31, 1932, were $2,153,664 compared to $1,826,928 for the same period in 1931. It would seem that they have earned their interest more that three times. We understand they have increased their output through their subsidiaries in the last five or six years.

Any information and any data you have available regarding these bonds and comments as to reasonable assurance for the continuation of bond interest will be appreciated.

Dominion Gas & Electric Co. is controlled by American Commonwealths Power Corp. which is in receivership and this has undoubtedly had some effect on the Dominion Gas first lien and collateral gold bonds due 1945. We have tried repeatedly to get information regarding the latter company from its New York office but have had no reply. The Dominion Gas bonds have no sponsorship to speak of in Canada and this would probably affect the price in some degree.

Dominion Gas & Electric Co. was formed in June, 1930, as a holding company and its various subsidiaries were acquired from International Utilities Corp. for approximately $15,000,000 partly paid in cash and partly in securities. The chief subsidiary is Canadian Western Natural Gas, Light, Heat & Power Co. which has operated in and about Calgary since 1911 and has had a satisfactory record since 1925. The earnings of Canadian Western Natural Gas have been substantially in excess of preferred dividend requirements but practically all the common stock is held by Dominion Gas & Electric Co. which in 1930 and 1931 took common dividends in excess of the earnings on the common stock. This was done to the detriment of working capital position of Canadian Western Natural Gas which at the end of 1931 had current assets of $413,159 and current liabilities of $828,206.

Other subsidiaries of Dominion Gas and Electric are comparatively small and operate in Alberta and British Columbia municipalities. Separate earnings statements are not published.

In view of the uncertain condition of the parent company, American Commonwealths Power Corp., the general lack of information regarding Dominion Gas & Electric, the possibility that various subsidiaries are paying out an undue amount in common dividends and the weak condition of the market for public utility and industrial bonds the present prices of Dominion Gas & Electric first lien and collateral bonds would not appear to be uncalled for.

B.C. Power; Can. Vinegars

Which would be the most desirable investment, the series "A" or series "B" first refunding and collateral trust bonds of British Columbia Power Corp.? Is Canada Vinegars Ltd. stock to be considered in the investment or speculative class?

While earnings of British Columbia Power Corp. during the current year which ends June 30, 1932, have shown a decrease of approximately 19 per cent from net earnings of the previous year, it would appear that the company will cover its fixed charges by a fairly satisfactory margin. The company holds a strong position in the British Columbia public utility field, and according to the last annual report, had a good liquid position and a substantial surplus. The company has outstanding $10,000,000 of Series "A" 5½ per cent bonds due March 1, 1960, and $4,000,000 Series "B" 5 per cent bonds due March 1, 1960. The bonds of both series are equally secured and are first refunding and collateral trust sinking fund bonds, but no limitation is placed upon issuance of additional bonds providing certain restrictions are adhered to. On June 14, the 5's of 1960 were quoted at 69½, which would yield approximately 7.66 per cent to maturity and the 5½'s were quoted to 73¼ to yield 7.88 to maturity. It would seem probable that the difference in yield is due to the greater amount of 5½ per cent bonds outstanding, and also to the fact that should there be any further weakness in general market for public utility and industrial bonds, the price of the 5½'s would drop slightly back from that of the 5's due to the higher coupon rate. The reverse would be the case in a rising market.

Canada Vinegars increased net earnings in the year ended November 30, 1931, and after increased provision for depreciation and income tax reserves earned $1.83 per share on the common stock as against $1.82 in the previous year. Common dividend has been continued at the annual rate of $1.60 per share. The company has a strong liquid position which was improved in 1930 although current liabilities were somewhat higher due to increase in income tax reserves. No bank loans or overdrafts have been shown in the last four years. Operations of the company extend across Canada and while the present company was only formed in 1928, it acquired a predecessor company which had been in business since 1898. Stability of earnings and sound financial position would tend to place the stock of the company in the investment rather than the speculative class.

Canadian Car

I purchased some common shares of Canadian Car and Foundry Co. at around $10 a share. Would you advise me to buy some more of this stock? What is the outlook for the company? Does it justify additional buying?

Operations of Canadian Car and Foundry Co. have been severely restricted by the lack of railway equipment orders which has been apparent this year. As you know, the railways have reduced their purchases of new rolling stock to a minimum with the result that equipment makers have had little to do for the past year. Earnings of Canadian Car, accordingly, are expected to show a decline at the end of the fiscal year, September 30, 1932. There are two factors which should be considered in viewing the outlook for the stock. The first is that eventually the railways must reenter the market for equipment. Depreciation and obsolescence of rolling stock will necessitate purchases of new cars, and in the next few years, it may be confidently expected that Canadian Car will handle a substantial volume of orders. The other point to remember is the financial position of the company. During the more prosperous years, Canadian Car built up strong reserves and at the end of September, 1931, had over $2,000,000 of Dominion of Canada bonds, and $741,600 invested in miscellaneous securities. Balance sheet showed a surplus of $6,055,000. If you decide to purchase additional shares, you must be prepared to wait until conditions in this industry improve. As you know, dividends have been reduced, and indications are that if they are to be continued they will be paid out of surplus rather than out of current earnings.

Quebec Pulp

Will you be good enough to tell me who controls Quebec Pulp and Paper Corp.? Also what is the position of this company.

Quebec Pulp and Paper Corp. is owned jointly by Consolidated Paper Corp. and Price Brothers & Co. All its mills have been closed down since October, 1930. The financial statement for 1931 showed a net loss of $201,647 and a deficit of $1,093,202 was brought forward into the current year. The balance sheet showed total assets of $10,548,069; current liabilities exceeded current assets by $50,504.

Northwestern Power

Can you tell me why the bonds of Northwestern Power Co. are quoted at such low levels? I know that the company's plant is closed down but in view of the parent company's guarantee surely the prices are out of line?

Your question regarding Northwestern Power bonds has already been answered by the recent announcement that the company will not meet its interest payment when it falls due on July 2. The price of the bonds was discounting the possibility of this occurrence. What action may be taken after the ninety days of grace have expired has not been disclosed yet? The bond issue is guaranteed by Winnipeg Electric Co. but payments of Northwestern Power interest by the parent organization undoubtedly will put a heavy burden on it. Earnings of Winnipeg Electric for the four months ended April 30, showed a marginal increase over the same period of the previous year; possibly Northwestern Power bondholders will be offered scrip. You will remember the January 1 interest was paid in Canadian funds, only bondholders were later given scrip in settlement of the difference between Canadian and United States funds at that time.

Canadian Pacific

Would you be good enough to let me have your opinion on the present and future of the Canadian Pacific Railway? I bought stocks in this company in 1929 and have been holding on in the hope of recovery.

Both the financial position and earning power of the Canadian Pacific Railway have undergone a marked change over the last two years. Income was insufficient to maintain the old basis of 10 per cent per annum, and in order to conserve the cash position of the company, the directors deemed it expedient to reduce the dividend. Operations during the current year have not shown any marked improvement in the way of net earnings. While prospects are favorable for a larger crop, yet the outlook is so indefinite as to preclude any forecast on earnings. The directors will meet this fall to determine whether or not the company will pay its half-yearly dividend.

The Royal Commission's report on the railway situation in Canada is expected some time before fall. While no details have been made available, it is to be expected that certain lines of action will be recommended which, in the main, should be of benefit to the Canadian Pacific. On the other hand, there is no assurance of this. Meanwhile, traffic in this country is on a limited basis; while the Canadian Pacific's earnings from outside investments have been restricted.

Dominion Tar

I am a holder of Dominion Tar and Chemical preferred and common. I noticed that directors have passed the August dividend. Is the financial condition of this company sound?

At the time the dividend on the preferred stock of Dominion Tar and Chemical was deferred, the directors issued a statement to the effect that while conditions in their business had been satisfactory during the first few months of the current year, sales of late have shown a sharp curtailment and results for the year are expected to be substantially under those reported in 1931. The last report indicated a fairly satisfactory financial position. At the same time it showed that the company had been carrying out a marked plan of expansion which involved considerable capital outlay and increased overhead costs. Until this expansion has been consolidated, earnings of the company are likely to be somewhat smaller than might be anticipated under normal conditions. With the return to the market of the railways and other large purchasers of creosoted materials, however, the company is in a satisfactory position to re-establish its earning power.

Canadian Bond Market History is Repeated

Period 1931-32 Similar to 1919-1922; Drastic Price Declines Bring Yields 75 p.c. Above Pre-war Levels; Becoming More Stable

Address by COL. J. G. WEIR, Chairman of the Central Section of the Investment Bankers Association of Canada, Delivered at the Annual Meeting of the Association

It is interesting to compare the general conditions of the bond market of 1931-32 with that which prevailed in the years 1919-22, when a similar exchange situation existed. In both periods our depreciated currency shut off the American bond market to a large extent and invited selling from London, Eng. In the earlier period the selling from London was much more serious than it is today and, consequently, had a much greater effect on bond prices.

In the period 11 years ago, Canada had just finished marketing an unprecedentedly large amount of Victory Loan Bonds—in 1918 $446,659,950, in 1919 $500,910,650. The sale of these huge amounts of securities had left little buying power in the country and, furthermore, a great part of the bonds marketed in 1919 were bought for patriotic reasons by people who really were not investors, who were told that they could re-sell, and who bought either by borrowing all or part of the money, with the result that the bond market was in a most congested state, so that it was necessary to form a Market Committee to attempt to stabilize market prices. At that time, also, the various provinces and larger cities all had big spending programmes on roads and other improvements, so that there was a plentiful supply of new bond issues in sight. This compares with a policy of economy and retrenchment at the present time although, notwithstanding this, there is a good deal of financing to be done.

Present Situation is Similar

In 1931-32 Canadian funds have depreciated even further than in 1921-22 and the United States market is possibly shut off even to a greater degree than it was during the previous period, due to the fact that world confidence has been shattered on this occasion, and nowhere has this shattering of confidence been more complete than in the United States. However, we have no great body of undigested securities. We have not nearly the same volume of securities pressing for sale from England. Our market has already had a much greater and more precipitous reaction than was the case 11 years ago. It has dropped from approximately a 4.40 per cent basis to a 5.90 per cent basis on provincial securities as opposed to a drop of from approximately 5.50 per cent to 6.60 per cent in the 1919-21 period or, in terms of price on a 20-year bond, approximately 12 points 11 years ago as compared with over 18 points today. In our present period we have had no unsettling influence such as a bank failure from which we were not free in the former period.

In the past there has always been a fairly close relationship between commodity prices, rents, wages and interest rates, the four declining or advancing hand in hand. The exception has been the case in the past year when interest rates have advanced very materially in the face of declining commodity prices, wages and rents. It would not appear that higher interest rates could continue for any great length of time or be anything but of a comparatively temporary nature in the face of the drastic decline in commodity prices, accompanied by lower rents and cuts in wages, all of which have greatly reduced the cost of living.

In the year just passed we have come through one of the most precipitous and far-reaching declines in bond prices in the history of this country, so that not only did the firms in business take a tremendous loss in inventories, but it was most disheartening for the salesmen and investors to see nothing but declining prices in issue after issue which they purchased, each issue having been pointed out to them as more attractive than that bought previously. This, on top of tremendous losses which most people had suffered in the stock market, brought about a veritable money panic and it became difficult to persuade the buyer to put his money into even the most conservative investments on account of the losses which almost invariably occurred very, shortly after. As a result, bond prices have declined to such a point that the investors and salesmen have an opportunity today of purchasing Canada's highest grade securities at yield rates which come seldom in our lifetime, in fact, in the history of the oldest member of the bond fraternity. This is only the second time that bond prices have been as attractive.

Underwriters Not All to Blame

In the early stages of the depression, there was a tendency on the part of many investors to place the blame for the losses that they had incurred in new issues, which had been purchased in the boom period, directly upon the issuing house. As time went on, however, it began to be recognized that the losses which were being incurred, were not directly attributable to the financial houses, but were the result of a world-wide depression, which gradually assumed major proportions. It was realized that the drastic decline in prices was not confined merely to new issues which had been put out in the years just prior to 1929, but was shared by the bonds, preferred stocks and common shares of our oldest and best established corporations, which had been on the market for many years and which were regarded as seasoned, conservative investments. Neither was the decline in price confined to any one type of security, but was very evident in government securities, and this applied to every country.

It is also now being realized that our investment houses did everything that was humanly possible to assist corporations in which they were interested in an endeavor to help them through the present trying time.

There has been evidence for some little time that bond prices were at last showing signs of reaching the bottom and, while we cannot guarantee that they will not go lower, it is the opinion of many that we can, with a great deal of confidence, put our whole heart into the offerings of such high grade issues as are imminent, with the feeling that the purchaser is getting a decided bargain, just as he did in the 1920-21 period, and that we are pretty well through with declining prices and that in a short time the investor will be heartened by the sight of gradually increasing profits from his bond purchases to counter-balance some of his former losses.

Many of us have been too inclined to regard the boom years preceding 1929 as normal times and there has been quite a tendency to sit back and await a return of these good old days.

A new era of prosperity has always arisen from a period of depression. Necessity is the greatest of all incentives and stimulates resourcefulness, which results in inventions, greater efficiency, economies and new methods, which bring about an evolution in business, resulting in prosperity, just as a bigger and better city springs up from the ruins left by a devastating fire in a young and growing community.

We know that history repeats itself and that we will surely emerge from our present trials.

VALUE OF RAW FURS LOWER IN 1930-31

Increase in Number of Pelts Offset by Drop in Prices

Canada's raw fur production in the twelve months ended June 30, 1931, had a total value of $11,681,221, compared with $12,158,376 in the 1929-30 season and $18,745,473 in the 1928-29 season. The decrease in value from 1929-30 is accounted for by a general fall in prices, the actual number of pelts taken being greater than in that season.

Total number of pelts for the season 1930-31 was 4,060,356, compared with 3,798,444 in the previous season and 5,150,328 in the 1928-29 season. Silver fox shows a large increase over 1929-30 in the number of pelts, while increases are also recorded for muskrat, white fox, mink and beaver. For most of the other kinds decreases are shown. Records for the past ten years show a decline in almost every year in the number of beaver, mink and marten pelts. On the other hand silver fox has increased from 2,843 in 1920-21 to 71,816 in 1930-31, while the supplies of muskrat, white fox and ermine have been maintained.

The above figures comprise pelts taken by trappers and those sold from fur farms, the value of the latter accounting for approximately 26 per cent of the total value in 1930-31, of 19 per cent in 1929-30, and of 12½ per cent in 1928-29.

Effect of fur farming is seen in the fact that silver fox leads among the fur producing animals for the second year in succession, the total value in 1930-31 being $3,216,217. Muskrat is next in importance with a value of $2,148,148; white fox third with $1,669,701; and mink fourth with $904,348.

Average prices in 1930-31 were lower than they have been for several years, silver fox recording an average of $44.78 in comparison with $80.95 in the preceding year; muskrat, 81 cents as compared with 84 cents; white fox, $23.23 compared with $32.94; mink, $9.32 compared with $12.42; beaver, $14.77 compared with $21.46; and marten, $15.80 compared with $18.86. Other kinds show equal decreases.

English Capital Backs Vancouver Development

From Our Own Correspondent

VANCOUVER.—An illustration of how British capital is returning to Western Canada is furnished by British Pacific Properties Company, which has already bought 4,000 acres of land in West Vancouver and is now co-operating with the municipality for the establishment of a residential section there.

A. J. T. Taylor, of London, England, is one of the directors and he has been in Vancouver negotiating for the purchase of other properties for development purposes. Associated with Mr Taylor is Lord Southborough, former first lord of the admiralty and secretary of the board of trade, and W. S. Eyre, who was one of the most successful pioneers in the development of South American industry, as present deputy chairman of the Peruvian Corporation.

Ship Crates to Bermuda

The first shipment of crates sent to Bermuda by the Brookfield Box Company of Colchester county proved so satisfactory that further orders are being received.

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SUPPOSED CUT IN BAY RATES LARGELY MYTH

Shipping Committee Report Should Dismay Stoutest Friend of Port

VIRTUAL EMBARGO

Canadian Papers Carry Erroneous Story of 20 Per Cent Reduction in Insurance

From Our Own Correspondent

OTTAWA.—An entirely illusory reduction in insurance rates on hulls on the Hudson Bay route, marks the third report of the Imperial Shipping committee, issued a few days ago, and should carry dismay to even the most stout-hearted of protagonists of this new "artery" of international trade.

Marine insurance rates are rather complicated from the point of view of the layman, and since the daily press has represented the latest concession as meaning a twenty per cent cut in rates over last year, a brief explanation of what actually has been achieved will be of interest.

History of Rate Struggle

Hudson Bay route history dates from 1930 when Lloyds fixed the duration of the season from August 10 to September 30, and the rates on hulls at 60 shillings per 100 pounds sterling of value, plus 2 shillings per ton of gross registered tonnage. The shortness of the season prevented a ship making more than one round trip in a year so that the full burden of these exceedingly high rates must fall upon a single return cargo, more likely than not upon one eastbound cargo.

Under influence of prairie opinion the Government maintained steady pressure on Lloyds for better insurance terms, and there is reason to believe political influence was used as well. The Canadian Government, undoubtedly, made forceful representations to the British Government, which, in turn appealed to Lloyds.

Modification in 1931

In 1931, the rates were modified to this extent: The 60 shilling rate was reduced to 50 shillings and instead of closing the season Sept. 30, ships were allowed to clear up to October 7 at a 10 per cent advance in the premium, and up to October 15 at a further advance of 25 per cent.

On June 21, a third rate decision was made. The arrangements as to the length of the season stand unchanged, despite the most emphatic requests from Ottawa. So, too, do the surcharges for post season clearing.

But the 50 shilling rate is reduced to 40 shillings provided the vessel is in first class condition and carries a gyro compass, immune from magnetic disturbance.

Joker Quite Apparent

The joker in this arrangement is quite patent. The ships that will use Churchill are not ocean liners or express freighters, but plain tramps—worth anything up to $200,000. Not a fraction of one per cent of these ships are presently equipped with gyro compasses for the simple reason that such a compass costs upward of $5,000, and is too expensive a luxury for common tramps. No owner would install a gyro compass, not needed on the various trade routes of the world, for the mere privilege of gaining 10 shillings per 100 pounds sterling on hull insurance once per year. The Imperial Shipping Committee recognizes this as a fact in its report.

In substance, therefore, Hudson Bay rates remain as before. There has been no reduction and is not likely to be for some time to come.

No Cargo Rate Drop

And as for cargo insurance rates, neither Lloyds or the Shipping Committee have a word to say on the subject. Here, again, the efforts of Ottawa have been fruitless. These rates continue to be fixed on the merits of each shipment, may vary tremendously from hour to hour, day to day—provided anyone asks for a quotation.

But above all this is one fact which always is overlooked by those who enthuse over the Bay route. It is commonly, but quite erroneously, supposed that the rates announced, from time to time, by the Imperial Shipping Committee are maximum rates—like the railway rates put in by our railway commission. On the contrary, the Shipping Committee rates are minimum rates—the lowest anybody can hope to get.

Few Vessels Qualify

And in declaring this rate, Lloyds does not undertake not to charge more, much more, if Lloyds feels like it. For example, competent rate experts at Ottawa say quite frankly that, excepting the two vessels that made the Churchill trip last summer, no vessel entering the Bay this year would qualify for the quoted rate.

And, further, the incidence of marine insurance makes the Hudson Bay route rate so high that to speak of equality with the St. Lawrence or any other North American route is like comparing New York's Empire State building with an ant hill.

Rates Compared

Marine insurance on hulls is taken out by the year, or for a season, and not for one voyage. A better way to put it, maybe, is that the rate for a voyage or a season is the same. The Shipping Committee worked out the detail in regard to the new rate and the figures given will lend themselves to a comparison with the St. Lawrence insurance rates.

Taking a 5,000-ton ship, worth £50,000, the committee says the new insurance rate would work out at £1,500 for one season. Since the season permits of but a single voyage this means that the insurance rate on the Bay for one trip in and out would come to £1,500. The St. Lawrence rates are substantially lower, but presuming them to be the same, the cost of insurance would be £1,500 for a season that permitted of 12 voyages, so that the rate per one round trip would really be £125. In other words, the Bay rates would be exactly 12 times higher.

Of course, the real desire of Ottawa was to gain a week at either end of the season, thereby enabling a ship to make two round trips. This, automatically would have cut the insurance cost in two, would have been a worth while achievement. But, as stated, Lloyds did not even consider this proposal, and the best efforts of the Shipping Committee, in this regard, have been in vain.

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Gains in Quebec Business Limited to 24 Companies

An increase of life insurance in force during 1931, in Quebec Province (excluding group) of only $47,000,000 is reported in returns issued last week in the Quebec Gazette. Total business in force for all companies in that province operating under a federal licence was $1,674,948,000 as compared with $1,627,687,000 at the end of the previous year. Business in force of provincial licensees increased from $15,090,927 at the end of 1930 to $15,698,220. Only 24 companies out of a total of 47 reporting, showed an increase in their business in force.

New business issued by the federal companies in Quebec in 1931 totalled $181,806,865 to which is added $132,378,000 of what is termed in the Quebec abstract as "other additions," presumably renewals, annuities and other types of business. New business issued by provincial licensees in Quebec totalled $4,630,000 and "other additions" were $403,728.

Comparative figures for business in force of all companies at the end of 1931 and also at the end of the previous year, follow:

Dominion Licensed Companies:
Life Insurance in Force in Quebec Province
(As at December 31)

	1930 $	1931 $
Aetna Life	20,904,807	19,819,677
Canada Life	80,625,062	79,996,520
Capital Life	8,795,448	7,909,732
Commercial Union	286,884	282,493
Confederation	28,704,525	30,217,489
Continental	3,890,871	3,504,100
Crown Life	27,482,540	28,567,372
Dom. of Canada Govt. Insurance	879,938	854,223
Dominion Life	11,621,508	13,304,801
Eaton Life	3,127,840	3,058,344
Equitable	6,849,239	6,445,623
Excelsior	19,377,301	17,976,297
Great West	128,959,824	128,725,789
Gresham Life	1,859,950	1,654,995
Imperial Life	51,696,395	52,222,791
Liverpool & London & Globe	104,987	113,752
London Life—Ordinary	15,381,295	17,489,078
London Life—Industrial	12,378,746	14,634,930
London & Scottish Assurance	4,599,626	4,340,047
Manufacturers Life	61,695,032	63,400,791
Metropolitan Life—Ordinary	235,641,660	252,560,853
Metropolitan Life—Industrial	168,561,395	169,773,817
Monarch Life	2,773,113	3,080,790
Montreal Life	19,656,181	18,682,590
Mutual Life & Cit.—Ordinary	11,350,232	11,820,763
Mutual Life & Cit.—Industrial	10,291,136	10,740,259
Mutual Life Assurance of Canada	70,525,501	73,317,870
Mutual Life Insurance, New York	38,584,699	38,418,128
National Life	13,779,198	15,191,544
New York Life	76,243,540	74,978,662
North American Life	15,367,522	15,734,009
North British & Mercantile	511,044	516,916
Northern Life	13,107,325	12,389,415
Occidental Life	161,816	174,453
Phoenix Assurance	2,538,057	2,539,695
Prudential Assurance of London	236,000	1,235,896
Prudential Insurance of America—Ordinary	74,221,025	77,710,756
Prudential-Insurance of America—Industrial	71,483,765	73,302,412
Royal Guardians—Ordinary	1,364,709	1,267,653
Royal Guardians—Industrial	23,958	21,450
Royal Insurance	11,210,300	11,177,996
Sauvegarde	21,967,359	22,056,935
Sovereign Life	267,342	653,842
Standard Life	11,042,098	10,088,583
Sun Life	220,246,756	237,684,018
Travelers of Hartford	42,515,928	40,865,886
Union Mutual	5,297,131	4,993,736
Totals	1,627,687,314	1,674,947,766
Provincial and Extra-Provincial Companies:		
Empire Life	2,441,200	2,066,750
Industrial Life	6,307,180	6,668,181
Mutual Relief	2,949,468	3,456,653
Provident Assurance	887,500	903,000
Provident Assurance (Industrial)	487,778	424,201
Ontario Equitable	2,018,301	2,179,435
	$15,090,927	$15,698,220

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A three-cent stamp should be enclosed to cover a direct reply.

Converting Aetna Policy

I would like a report on the Aetna Life Insurance Co., whose head office is in Hartford, Connecticut, U.S.A.

I have a $10,000.00 ordinary life non par issued in 1926. I also have a $10,000.00 term policy taken out in 1927 which has the conversion privilege expiring shortly.

My policies were taken out here in Ontario and they state that they will be paid to my dependents on a monthly income plan in Canadian money but in the event that this Company should have financial difficulties in the American parent Company what guarantee would I have that the terms in my policies would be carried out?

Has the Canadian Government sufficient reserve to take care of its Canadian obligations and could the American parent company draw on the Canadian company for funds to take care of their losses on the American side?

I would also be pleased to have your expert advice as to whether it would be profitable for me to convert the term policy which I now have into an ordinary Aetna life policy non par, in view of the fact that I would have to put up $787.00 difference between the premium on the term policy and that of the ordinary life policy.

My present age is 45 last January 17, 1932. I took out the term policy in 1927. A new ordinary life policy would cost me for $10,000.00 policy $275.00. To convert the term policy as at age 40 would cost me for $10,000.00 policy $244.00.

Would it be better for me to convert the term policy or to take out a new policy at my present age, pay the difference in premium and invest the $787.00 in bonds and use the earnings on the $787.00 to make up the difference in premiums?

You need not be at all worried about the financial soundness of the Aetna Life Insurance Company. Ornagized in 1850 it is one of the outstanding insurance institutions in the United States and is, we believe, ably managed and well able to meet all its obligations. It has been doing business in Canada since 1850 and now has business in force here of over $90,000,000. At the end of 1931 its total assets in Canada amounted to almost $13,000,000. of which over $10,000,000 is available solely for the protection of Canadian policy holders. This, we believe, is ample guarantee that your investments in this institution are well protected, this money being available solely for Canadian policyholders and cannot be used by the company until all Canadian claims are met.

As to whether you should convert your $10,000 term policy or not we are inclined to feel that you would be just as well off to take a new ordinary life policy, assuming, of course, that you are able to meet any medical examination which might be required. If by any chance you could not meet a medical test at the present time it would, of course, be well worth your while to convert your policy to ordinary life at the lower age. We presume, however, that your term policy will allow you to convert to an ordinary life policy at age 45 without further examination.

If you take the ordinary life policy at age 45, but have sufficient money available to pay for the policy on an age 40 basis, and are anxious to put it into insurance, a satisfactory plan might be to use this money to pay up future premiums on the new ordinary life $10,000 policy. Most companies would allow you about 5 per cent on this money and we believe the current rate of interest allowed by Aetna Life, for instance, is 4.82 per cent. Good government bonds at current prices would be probably a better investment at the present time, however.

If you did decide to pay up the back premiums and therefore date back your policy to age 40, the only thing you would have to show for your $787 would be a paid up cash value on your policy of $620. Then, too, of course, your policy would cost you $31 per year less than would otherwise be the case.

Over the long term, probably 15 or 20 years the latter course might be the more satisfactory but from a practical viewpoint at the present time, the plan of taking out a new ordinary life policy at age 45 seems to us to be the more reasonable.

CANADIANS WATCH U. S. SUGGESTION OF AMORTIZATION

Insurance Commissioners Favor Amortized Basis For Fire and Casualty

Action of the National Convention of Insurance Commissioners in the United States in recommending that fire and casualty insurance companies be allowed to value amply secured bonds upon an amortization basis instead of being compelled to use current depreciated market values, is being closely followed by Canadian insurance executives.

This annual gathering of the Insurance Commissioners of the various states of the Union is usually productive of interesting pronouncements on current insurance problems and the critical position of investment portfolios of leading United States companies in the fire and casualty field makes the valuation question one of paramount importance at the present time with security prices far below what were considered the panic levels of the end of 1931, and which last year caused the adoption of "average" prices for the purpose of making 1931 returns by most insurance jurisdictions on this continent.

Canadian insurance investments are all valued at what is virtually the current market level plan but for many years many leading companies have advocated the adoption of an amortization basis. Although the adoption of an amortization resolution by the U. S. Insurance Commissioners is of course not binding on the actions of any individual state, the fact of it being passed is nevertheless significant and may have some bearing on a similar problem which all Canadian insurance jurisdictions will have to face in six months time. namely, the basis for valuation of 1932 portfolios, and also the larger problem of the best permanent method for valuation of securities.

New York State has allowed amortization for life companies since 1909, and according to Superintendent Van Schaick, New York insurance commissioner, its adoption "over a period of 22 years, a period reflecting both prosperity and depression, has proved to be wise, safe and equitable." In his recommendations as chairman of the valuations committee of the Convention he points out that discretion has for some time been vested in the New York State insurance department and a number of other states, to extend amortization to companies other than life.

"If ever this discretion is to be exercised it would seem as though the present is an appropriate time. The most intelligent financiers of the country realize and appreciate that the bond market has become a bargain counter. Anyone having the slightest confidence in the future of the country and the country's fundamental securities must appreciate that this situation is a temporary one.

"If the discretion of the various superintendents who have the power is exercised to permit the amortization of bonds of insurance companies in addition to those in the life field, the safeguard of the public interest rests in the enforcement of the admirable provision of the statute that amortization is applicable only to bonds amply secured.

Licenses Issued

Equitable Fire and Marine Insurance Co. was authorized on June 14 to transact in Canada the business of fire, explosion, hail, inland transportation, sprinkler leakage, tornado and earthquake insurance and insurance against loss of or damage to personal property.

Grain Insurance and Guarantee Co. was authorized on June 15 to transact in Canada the business of fire, burglary, forgery and guarantee insurance and insurance against damage to property of any kind caused by the explosion of natural or other gas.

Indiana Lumbermans Mutual Insurance Co. was authorized on June 16 to transact in Canada the business of fire, sprinkler leakage, tornado insurance, insurance against damage to property of any kind caused by the explosion of natural or other gas and insurance against loss of or damage to property, other than growing crops, by hail.

Ballard Elected President of London-Canada Ins. Co.

B. W. Ballard, manager for Canada of the Hartford Fire group of companies, was elected president and managing director of the London-Canada Insurance Co. at a meeting of the company held on June 24. Mr. Ballard succeeds the late Peter A. McCallum in both these positions.

A. C. McMaster, K.C., was elected vice-president to succeed Mr. Ballard. Two directors were added to the board to replace the late Mr. McCallum and W. J. Willcox these being Alexander R. Martin and John R. Cartwright, both of Toronto.

Current Events in Banking World

Many Monetary Troubles Caused by Finance Act Says Curtis of Queen's

Control of This Credit Source Imperative, He Declares

JOB FOR EXPERTS

Dept. of Finance Now Has Control of Credit Machine Yet Only One Member is a Banker

Although the injurious effects of the depreciated dollar are clear to corporations and governments having debts to pay in the United States, the underlying monetary weakness of the Dominion is not appreciated, according to C. A. Curtis, Queen's University, in an article in the June, 1932, issue of the Journal of Political Economy, Chicago. Bankers, generally, he writes, seem hostile or apathetic to changing the present monetary machinery and appear content with the present arrangements; the most hopeful sign is the recent announcement of the Prime Minister that the establishment of a central institution may be considered at the 1933 revision of the Bank Act.

It is Mr. Curtis's opinion that the permanent solution of Canada's credit control problem unquestionably lies in the establishment of a central bank. In this regard he writes: "The impairment of the monetary structure which has gone on in recent years makes the problem of establishing a central institution more difficult but it is an impairment which will have to be met in some way, in any case. Irrespective of the limitations of central banks even under favorable conditions and the particular difficulties in the way of a Canadian institution, Canada will have no monetary stability until such an institution—in fact, if not in name—is developed."

Credit Machinery Explained

Much of this monetary weakness which Canada is experiencing has been caused through the operation of two acts, the Dominion Notes Act of 1914 and the Finance Act of 1914 and 1923, Mr. Curtis contends. He points out that under the former act authority is granted for the issuance of $50,000,000 of Dominion notes against a 25 per cent reserve (any further amounts, requiring 100 per cent reserve) and in addition $16,000,000 was advanced to the Canadian Northern and Grand Trunk Pacific Railways against deposit of their own securities and $10,000,000 more uncovered notes issued for general governmental purposes. Under the 1923 revision of the latter act the Department of Finance is given permanent authority to make advances of Dominion notes to the banks against approved securities, promissory notes and bills of exchange.

The increase of the Dominion note issue, authorized under the Dominion Notes Act of 1914, is still outstanding, thereby reducing the proportion of gold reserves behind the whole issue.

Prior to the passing of the Finance Act, Mr. Curtis points out, each bank extended or limited credit in the light of its cash resources, and the primary consideration was always to keep its position sufficiently liquid to meet all demands upon it, but the passing of the Finance Act meant that the banks could increase their available supply of credit overnight and the control of credit was thereby transferred from the banks to the Department of Finance.

Mr. Curtis, in the course of his article, explains that the Department of Finance, which is empowered with the administration of the act, is a civil service department with a staff which, with the exception of the inspector-general of banks, lays no claim to being experts on banking or economic matters and the Treasury Board, which is the final authority, is composed of cabinet ministers, the political heads of departments. He points out that this is a criticism, not of the Department of Finance, as such, but of giving such a department duties which in other countries engage all the energies and ability of special institutions.

To the operation of the Finance Act, Mr. Curtis lays the blame for forcing the Department of Finance to stop the redemption of Dominion notes with gold. He explains this statement as follows:

"As the banks presented Dominion notes for gold to be exported in response to the foreign exchanges, their cash reserves became depleted and it was necessary to replenish them. This they did by rediscounting for Dominion notes under the Finance Act. Thus the Department of Finance was in the position of paying out Dominion notes with one hand and cashing them for gold with the other. Naturally such a result could not fail to deplete the government's gold reserve.

"The fundamental trouble with the situation is that the issue of Dominion notes under the provisions of the Dominion Notes Act is most rigidly guarded, while under the provisions of the Finance Act such notes can be passed out without stint. The Finance Act does not provide for or require any gold reserve for Dominion notes issued under its provisions, nor in fact does it in any way refer to the matter. At the same time all Dominion notes obtained by the banks under the provisions of the Finance Act become part of the general body of Dominion notes quite indistinguishable from Dominion notes issued in any other way. During the period when Canada was on a paper standard this situation did not matter, but less than three years' operation under the gold standard conditions was sufficient to make manifest its fundamental weakness."

Establish Control of Credit

Thus, the advent of the Finance Act, according to Mr. Curtis, has changed the whole structure of the Canadian monetary system, yet no provision is made in the Finance Act or elsewhere for control of this additional source of credit which has been let loose. The question of re-establishing the gold standard or bringing back the Canadian dollar to par is quite secondary to this point of establishing responsibility for credit control, he maintains.

Bank Chat

Canadian Bank of Commerce announces the following changes in connection with its branches:

BRADWARDIE, Man., sub-branch to Kenton, Man., will be opened on Monday of each week instead of Monday and Thursday at the present.

LENORE, Man., sub-branch to Kenton, Man., will be opened on Tuesday of each week instead of Tuesday and Friday as at present.

CEDAR COTTAGE, Vancouver, sub-branch to the Kingsway & Knight Road branch, Vancouver, was closed on June 30.

NORWOOD, Ont., branch was closed on June 30.

Dominion Bank announces the following staff changes:

W. D. KELLY, formerly manager at King & Wentworth Sts. branch, Hamilton, Ont., has been appointed assistant manager at Bleury St. branch, Montreal, P.Q.

J. S. DEAN, formerly accountant at Toronto Branch has been appointed manager at King & Wentworth Sts. branch, Hamilton, Ont.

J. D. STEWART, manager of the Bank of Nova Scotia, Winchester, Ont., has been granted a year's leave of absence. His position will be temporarily filled by J. J. Gray of Toronto.

WILLIAM H. LECK, manager of the Canadian Bank of Commerce, Norwood, Man., died at Vancouver on June 14. He went to Vancouver about 6 weeks ago in an endeavor to regain his health.

S. HACKFORTH, formerly manager of the Bank of Montreal at Battleford, Sask., has been appointed manager of Bannerman Avenue branch, Winnipeg.

G. A. McEWEN, formerly manager at the Bank of Montreal, Bannerman Avenue branch, Winnipeg, has been appointed manager at Danforth and Main Sts. branch, Toronto.

ARC-WELDED CHEQUE FOR PRIZE WINNER

Novel Credit Instrument is Two-Foot Slab of Sheet Steel

Some time soon a bank in San Francisco, another in Washington, and one in Los Angeles will cash what are believed to be the most unusual cheques ever issued. These three cheques, drawn on the Cleveland Trust Co., represent first, second and third prizes in the Second Arc Welding Prize Competition, sponsored by the Lincoln Electric Co., of Cleveland. Judges have announced their decisions and, in keeping with the subject of the papers submitted, the first three prize winners will receive "arc welded steel" cheques.

The cheques, for $7,500, $3,500 and $1,500, respectively, are "written" on ⅛-in. sheet steel. Each cheque is 24 inches long and 10 inches wide.

Welding operators in the Lincoln plant relieved the treasurer's office of the detail of filling out the cheques. All information, including date, amount, payee, and the name of the bank is arc welded.

The prize winners will endorse the cheques by the same novel method and, when the panels of steel have been presented to the banks and paid, they will be returned to the Cleveland Trust Co., where guards are reported to be planning to write "paid" on them with the aid of a submachine gun.

Three Prominent Bankers Die During Past Week

Three men, prominent in Canadian banking circles, died during the past week. Although all three had passed the allotted span of three score and ten years two of them, Charles S. Blackwell and William K. George, were actively engaged in business.

Lieut.-Col. Clarence A. Denison, who died in Toronto on June 24, was a link with four extinct banks, in one of which he served for 41 years as chief accountant. Col. Denison joined the City Bank of Montreal, Bay and Wellington Sts., Toronto, in 1869. This bank later amalgamated with the Royal Canadian Bank and became the Consolidated Bank of Canada. In 1874 he entered the service of the St. Lawrence Bank, which the following year became the Standard Bank of Canada. It was in 1878 that Col. Denison became chief accountant of the Standard Bank in which position he remained until his retirement in 1919.

Charles S. Blackwell, of Toronto, died in London, Eng., on June 23. Mr. Blackwell was chairman of the board of the Dominion Bank.

William K. George, who died in Toronto on June 26, was a director of the Canadian Bank of Commerce.

Weekly Bank Clearings

	June 25, 1931	June 23, 1932
Halifax	$ 2,368,594	$ 2,022,633
Saint John	2,079,804	1,476,888
Moncton	797,557	760,735
Sherbrooke	612,152	625,811
Quebec	3,982,928	3,819,365
Ottawa	6,726,581	5,144,483
Montreal	98,289,271	67,380,452
Kingston	652,628	581,967
Peterboro'	692,822	606,123
Toronto	98,278,995	70,508,491
Hamilton	5,180,743	3,802,872
Kitchener	822,438	1,267,365
Brantford	926,567	791,195
London	3,017,231	2,769,545
Chatham	483,781	371,220
Windsor	3,059,354	2,526,198
Sarnia	613,930	535,334
Sudbury	948,840	530,860
Fort William	$ 622,269	$ 620,310
Winnipeg	41,781,164	34,569,853
Brandon	375,129	307,189
Regina	2,926,348	2,527,566
Moose Jaw	610,264	500,541
Saskatoon	1,586,270	1,558,253
Prince Albert	395,547	263,553
Edmonton	4,314,487	3,384,848
Calgary	6,588,683	6,118,325
Medicine Hat	231,572	180,338
Lethbridge	343,544	311,004
New Westminster	553,772	406,465
Vancouver	15,610,467	11,798,586
Victoria	1,805,818	1,075,017

THE ONTARIO LOAN AND DEBENTURE CO
LONDON, CANADA
61 Years in Business
Capital $2,000,000—Reserve Fund $3,200,000.
The Company's Debentures are a legal investment for Trust Funds which may also be deposited in the Company's Savings Department.
4% Paid on Deposits. 5½% on Debentures.
JOHN G. RICHTER, *President.* T. H. MAIN, *Manager.*

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.

This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

A Useful Contact With the Mines

ONTARIO
QUEBEC
KAPUSKASING
CONNAUGHT STATION
S. PORCUPINE
TIMMINS
NORANDA
SUDBURY
NORTH BAY
SAULT STE. MARIE
THESSALON
IMPERIAL BANK

Banking relations with the mining area are greatly facilitated by the complete chain of branches established by this bank, at important centres in the mining country.

IMPERIAL BANK OF CANADA
HEAD OFFICE · TORONTO
Capital and Reserve $15,000,000
FRANK A. ROLPH, President
Col. J. F. Michie, Vice-President R. S. Waldie, Vice-President
A. E. Phipps, General Manager
230 BRANCHES THROUGHOUT CANADA

CROWN LIFE
INSURANCE COMPANY
Established 1900
SIR ROBERT L. BORDEN
President
C. W. SOMERS
Vice-President
H. R. STEPHENSON
General Manager
HOME OFFICE:
Toronto, Canada

A Special Message for
The Man Whose Income Stops If He Is Disabled

THE cutting off of an Income because of total disability is one of the greatest blows that can befall anyone. Ordinarily it means that not only you but your dependents will suffer.

The London Life issues policies containing a disability clause which guarantees a stated monthly income. In addition, premiums falling due during the time the Disability Income is being received are cancelled outright.

Life Insurance with The Income Disability arrangement gives two-way protection to your earning power. Send in the coupon for full particulars.

Established 1874
London Life
Insurance Company
"Canada's Industrial-Ordinary Company"
HEAD OFFICE - LONDON, CANADA

The London Life Insurance Company, London, Ontario.
I should like to have a Disability Income provision in my next policy. Please give me particulars of this provision. I was born
(date) ....
Name (Please Print) ....
Address ....

RETAIL CENSUS UNCOVERS DATA ON BIG CITIES

Cross-section of Merchandising Covers London, Ottawa & Winnipeg

MORE COMING

First Census of Its Kind in Canada Fills Big Need in Statistical Data

Returns of the census of merchandising and service establishments, undertaken for the first time last year by the Dominion Bureau of Statistics, have just been issued, the retail trade in 1930 of Ottawa, Winnipeg and London and the wholesale trade of Ottawa being the first ones published.

Report of London's retail trade, published in the special London section of this issue, shows total retail sales of $31,857,900 from 994 establishments, 4,591 persons employed and a wage bill of $4,938,500.

Retail trade of Ottawa in 1930 amounted to $56,875,600 from 1,501 retail stores while gross receipts of $4,619,600 are recorded from 579 service establishments. There were 8,635 persons engaged in retail and service establishments whose wage bill was $9,300,000.

Winnipeg has 2,456 retail stores with gross sales of $128,563,600 and 1,041 service establishments with gross receipts of $12,044,000. The retail merchandising and service establishments employed 18,582 persons who received $20,278,300 in salaries and wages.

Complete analysis of the reports for Ottawa and Winnipeg appear below.

OTTAWA

Total sales of Ottawa's 1,501 retail stores were $56,875,600 while gross receipts of $4,619,600 are recorded for 579 service establishments.

Grouped according to type of articles sold, the general merchandise group, which includes departmental stores, leads all other groups with total sales of $13,786,000, closely followed by the food group with sales of $12,088,100. Food stores easily lead in total number with 675 compared with 161 for apparel, 141 for automotive and 84 for restaurants.

In the general merchandise group is included 13 departmental stores with 1,629 employees having total sales of $11,249,200 in 1930. In the apparel group, women's ready-to-wear clothing leads in total sales with $1,394,200, closely followed by men's and boys' apparel with sales of $1,143,200. Sales of $5,576,500 are credited to 18 retail stores chiefly engaged in the sales of automobiles. Among miscellaneous, the most important group is engaged in the sale of coal, wood and ice, total sales for 34 establishments amounting to $3,488,600.

Independents Sell 63 Per Cent

Analysis of sales and outlets according to the type of store discloses some interesting and valuable results—the first official figures of their kind to be available in Canada.

Taking total retail sales in merchandising establishment for the entire city it is found that single store independents in 1930 did no less than 62.6 per cent of the total business, while sectional and national chain stores combined did 18.7 per cent of total business. These two chain groups, divided their share of the business almost equally, sectional chains nosing out national chains by about $150,000 in point of sales, although the latter operated 5 more stores during the year. Total independent outlets numbered 1,191 with net sales of $35,648,000, while sectional chains with 83 stores had sales of $5,409,700 and national chains with 88 stores had net sales of $5,253,600. Next to independent stores the next large individual groups on the basis of sales were what are designated "local multi-units." These are small chains or multiples operating two or three stores. These operated 81 stores and had a sales volume of $8,654,900.

Grocery stores are the field where chain activities are most prominent and analysis of grocery sales show that in this sphere 46.8 per cent of total sales were made by national and sectional chains which operated 78 stores out of a total of 318 grocery stores in the city. Total grocery sales were $7,693,000 of which sectional and national stores did $3,605,700 of the business. Single store independents got 32.5 per cent of total grocery sales with 189 stores, the actual sales figures being $2,500,700. The next largest group were the single store independents in co-operative buying organizations, which, with 47 stores did $1,400,300 or 18 per cent of total grocery sales.

Wage Bill Over $9,000,000

Wages and salaries paid to employers and wage-earners in retail and service establishments totalled approximately $9,300,000 distributed among 8,635 persons. The Bureau points out that these figures include both full and part-time employees and also proprietors and firm members receiving a fixed salary so that the figures do not provide a basis for correctly computing average wages, average sales per employee or rate of stock turn. In later reports the bureau will present the data in greater detail so that more accurate comparisons can be made.

Hotel Results Shown

Statistics of hotels operating in Ottawa is an interesting addition to the report and shows that there were 18 hotels in 1930 with 1,054 guest rooms and 736 employees who receive $540,593 in salaries and wages. Total receipts amounted to $1,586,085 distributed as follows: rooms, $730,827; meals, $587,624; rooms and meals, $63,802 and other sources $203,832.

Tables analyzing the figures in considerable detail are shown below.

Summary of Principal Retail Merchandising Groups

	No. of stores	No. of Employees*	Salaries & Wages	Net sales§ (1930)	Stocks on hand end of year (at cost)
Automotive	141	840	$1,018,200	$8,223,800	$943,900
Food	675	1,143	1,105,600	12,088,100	996,400
General merchandise	54	1,971	1,666,100	13,786,000	2,945,100
Apparel	161	594	650,600	4,650,200	1,336,800
Lumber	66	584	789,700	3,804,800	993,300
Furniture	22	128	159,500	1,165,800	368,500
Restaurant	84	470	393,300	1,755,800	61,000
All other	298	1,463	2,117,800	11,401,100	2,391,000
Total	1,501	7,193	7,900,800	*56,875,600	10,036,000

* Included in this amount is $257,100 which represents receipts from services in merchandising establishments.

§ To these sales may be added $130,300 retail sales made by wholesalers in Ottawa.

Leading Retail Merchandise Outlets in Ottawa, 1930

Type of Store	No. of Estab.	No. of Employees*	Salaries & Wages	Receipts	Stocks on hand end of year (at cost)
1 Department stores	13	1,629	$1,397,500	$11,249,200	$2,458,800
2 Motor vehicles	18	381	547,000	5,576,500	757,300
3 Groceries (without meats)	224	317	253,100	3,850,700	378,600
4 Groceries (with meat & fish)	94	358	353,700	3,842,200	251,700
5 Coal, wood & ice yards	34	333	734,500	3,488,600	404,500
6 Variety (5c-$1) & general stores†	18	296	218,600	1,995,800	328,000
7 Musical instruments & radio	12	191	304,100	1,451,700	220,100
8 Women's ready-to-wear	27	151	158,200	1,394,200	228,000
9 Restaurants	48	352	310,800	1,301,500	47,700
10 Drug stores (without fountain)	55	207	194,800	1,187,300	381,300
11 Meat markets (with groceries)	43	125	128,400	1,152,300	47,900
12 Garages	53	235	239,000	1,145,900	99,300
13 Hardware stores	17	108	148,100	1,068,000	423,300
14 Lumber & bldg. materials	4	59	80,300	1,038,000	217,800
15 Jewellery stores	28	123	168,900	992,200	405,400
16 Shoe stores	34	78	114,300	859,400	392,000
17 Meat markets	51	123	132,500	835,100	32,400
18 Confectionery (fruit)	105	48	32,000	783,300	77,800
19 Filling stations (gas & oil)	29	110	109,900	668,500	18,400
20 Dairy prod., fruit & vegetables	37	38	104,900	644,100	40,400
21 Paint & glass stores	15	180	226,800	619,100	184,500
22 Household appli., refriger's etc.	8	49	63,000	576,400	110,400
23 Furniture stores	8	47	64,600	457,000	164,000
24 Books, periodicals, stationery	17	61	75,300	422,900	139,200
25 Drug stores (with fountain)	8	83	83,100	413,000	65,200

† Without grocery departments.

Leading Retail Service Outlets in Ottawa, 1930

	No. of Estab.	No. of Employees*	Salaries & Wages	Receipts (1930)	Stocks on hand end of year (at cost)
(1) Motion picture houses‡	8	138	$164,900	$884,000	......
(2) Laundries	59	204	218,200	517,800	$100
(3) Auto livery and taxi	17	147	159,900	354,000	......
(4) Barber shops	120	121	114,500	340,100	10,900
(5) Motor freight haulage & buses	4	79	169,900	300,800	......
(6) Funeral directors	13	47	62,300	239,200	36,400
(7) Boot & shoe repairs	89	46	47,800	210,700	12,400

‡ Includes one combined vaudeville and motion picture theatre.

Summary of Principal Service Groups

	No. of Estab.	No. of Employees*	Salaries & Wages	Receipts (1930)	Stocks on hand end of year (at cost)
Amusements	25	175	$218,800	$1,098,400	......
Cartage & storage	31	104	97,400	248,600	......
Domestic	114	400	340,300	843,600	$5,100
Educational	7	12	19,100	43,700	......
Personal	170	219	186,300	540,700	19,700
Photography	14	46	40,800	114,000	16,200
Repair	162	155	141,700	632,500	90,800
Transportation	21	226	229,800	654,800	......
Other	35	105	150,700	443,300	40,800
Total	579	1,442	1,424,900	†4,619,600	172,600

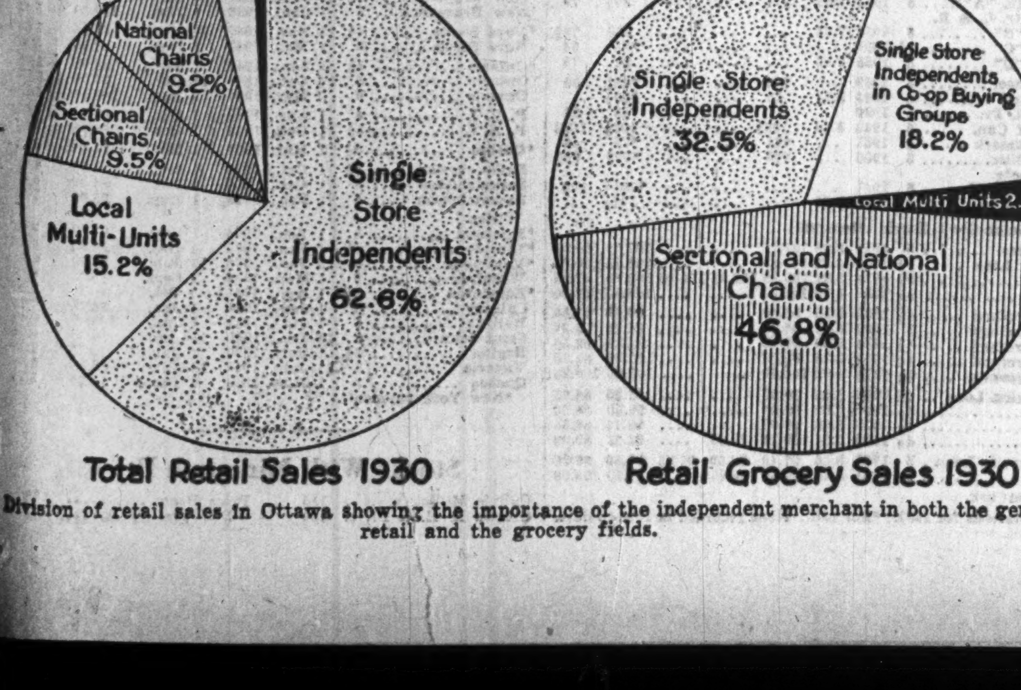
† Includes $115,900 representing sales of merchandise by service establishments.

Types of Organization for Retail Services

Kind of Business	No. of Estab.	No. of Employees*	Salaries & Wages	Receipts (1930)	Stocks on hand end of year (at cost)
Single indep. establishments	556	1,264	$1,211,500	$3,779,400	$182,500
Local multi-units	17	71	79,400	250,200	24,700
Sectional & national chains	6	107	134,000	590,000	2,400
All establishments, total	579	1,442	1,424,900	4,619,600	209,600

* The number of employees includes those working both full time and part time and also proprietors and firm members receiving a fixed salary, therefore, the amount of salaries and wages represents the total wages bill. The figures given do not provide a basis for correctly computing average wages, average sales per employee, or rate of stock turn. In later reports the data will be presented in greater detail and more accurate computations may be made.

How One Canadian City Does its Retailing



Division of retail sales in Ottawa showing the importance of the independent merchant in both the general retail and the grocery fields.

WINNIPEG

Retail business of Winnipeg during 1930 was more than $140,000,000. There were 2,456 retail stores with sales of $128,563,600 and 1,041 service establishments with gross receipts of $12,044,000.

Grouped according to type of merchandise sold, the general merchandise group, which includes department stores, leads all other groups with total sales of $63,216,900. The next two groups are the food group with sales of $15,293,100 and the automotive group with sales of $11,781,400. Food stores lead in total number of stores with 1,047 compared with 259 apparel stores, 217 in the automotive group and only 79 in the general merchandise group.

Amusements Lead Service Group

Among the service establishments, the amusement group leads in total receipts with $3,992,300, followed by the domestic group with $2,512,300 and cartage and storage with $1,225,400.

Sales figures in the general merchandise group for the various types of stores are not segregated but the report shows that included in this group are 5 department and general stores, 24 dry goods stores, 26 general stores with grocery departments, 20 general stores without grocery departments and 4 five-cent to a dollar stores. In the food group the chief types of stores are grocery stores, with and without meat departments, with sales of $9,986,700 and meat and fish markets with sales of $2,564,800. Approximately $8,000,000 of the $11,781,400 total credited to the automotive group represents sales of 24 establishments chiefly engaged in the sale of automobiles.

Sales of 215 stores listed in the restaurant group total $7,987,400, of which total restaurants proper record sales of $3,690,600 and liquor stores show sales of $3,450,600. In the miscellaneous group the chief item is the sales of firms engaged in the sale of coal and wood which totals $6,987,200, followed by drug stores with sales of $2,417,800.

Independents Sell 80.8 Per Cent

Comparison of the amount of business done in the city by independents and two and three-store multiples as against that done by sectional and national chains reveals that the former group handled sales of $103,849,400 or 80.8 per cent of the business, single store independents themselves doing 73.7 per cent of the total retail business. Among chain stores, sectional chains had total sales of $19,091,400, which is 77 per cent of the total chain store sales and 15 per cent of total retail sales.

Grocery stores are the field where chain activities are most prominent and analysis of this group shows that 32.2 per cent of total sales were made by chain stores, all of which were sectional, which operated 54 stores and had total sales of $3,220,000, as compared with 593 other grocery stores with sales of $6,766,700. Single store independents got the largest portion of sales in this group, 521 stores having sales of $5,168,000 or 52 per cent of the total. Details of sales by groups follow:

Types of Organizations for Retail Merchandising

Kind of Business:	No. of stores	Net sales
All stores, total	2,456	$128,563,600
Single store (indep.)	2,125	94,687,600
Single store (indep.) in co-op. buying groups	84	1,858,600
Two-store multiple	53	5,499,700
Three-store muliple	29	1,803,500
Local chains (4 stores and over)	15	884,800
Sectional chains	93	19,091,400
National chains	57	4,738,000
Grocery stores:		
Single store (indep.)	521	5,168,000
Single store (indep.) in co-op. buying group	64	1,318,200
Two-store multiple	8	280,500
Sectional chains	54	3,220,000

Wages and salaries paid to employees and wage earners in retail and service establishments amounted to $20,278,300 of which total 14,788 persons employed in retail business received $16,392,900 and 3,794 persons employed in the service groups received $3,885,400. The Bureau points out that these figures include both full and part time employees and also proprietors and firm members receiving a fixed salary, so that the figures do not provide a basis for correctly computing average wages, average sales per employee or rate of stock turn. In later reports the Bureau will present the data in greater detail so that more accurate comparisons can be made.

An addition to the report is statistics of hotels in Winnipeg. There were 51 hotels in 1931 with 3,128 guest rooms and dining rooms having a seating capacity of 1,732. Total receipts amounted to $4,061,403, of which $1,189,126 was for rooms, $746,551 from meals, $13,692 for room and meals and $2,112,034 from other sources. Salaries and wages totalling $1,183,293 were paid to 1,264 employees.

Tables analyzing the figures in considerable detail are given below:

Summary of Principal Retail Merchandising Groups

	No. of Stores	No. of Employees*	Salaries & Wages	Net Sales†	Stocks on hand at end of year (at cost)
Automotive	217	1,225	$1,595,800	$11,781,400	$1,120,700
Food	1,047	1,211	1,061,400	15,293,100	1,037,500
General merchandise	79	7,001	8,003,500	63,216,900	5,704,900
Apparel	259	824	972,700	6,203,400	1,639,700
Lumber	81	536	627,100	5,177,900	815,400
Furniture	23	170	215,900	876,400	226,800
Restaurant	215	1,523	1,194,400	7,987,400	483,300
All other	535	2,298	2,722,100	18,027,100	3,163,900
	2,456	14,788	16,392,900	‡128,563,600	14,192,200

* The number of employees includes those working both full and part time and also proprietors and firm members receiving a fixed salary, therefore, the amount of salaries and wages represents the total wages bill. The figures given do not provide a basis for correctly computing average wages, average sales per employee, or rate of stock turn. In later reports the data will be presented in greater detail and more accurate compilations may be made.

† Included in these figures is $516,700 which represents service receipts in merchandising establishments.

‡ To these sales may be added $326,616 retail sales made by wholesalers in Winnipeg.

Summary of Principal Service Groups

	No. of Estab.	No. of Employees*	Salaries & Wages	Net Receipts†	Stocks on hand at end of year (at cost)
Amusements	92	1,068	$1,060,600	$3,992,300	$7,600
Cartage and storage	55	449	488,900	1,225,400	1,100
Domestic	207	1,093	1,109,700	2,512,300	3,400
Personal	270	299	272,000	803,400	1,700
Photography	29	71	66,100	225,800	29,800
Repair	303	250	238,800	969,600	66,800
Transportation	25	208	266,000	591,800	8,900
All other	60	356	383,300	1,723,900	42,800
	1,041	3,794	3,885,400	12,044,000	162,100

* (Repeat * above).

† Included in these figures is $163,600 which represents sales of merchandise in service establishments.

Leading Retail Merchandising Outlets in Winnipeg, 1930

Type of Store	No. of Estab.	No. of Employees*	Salaries & Wages	Receipts†	Stocks on hand at end of year (at cost)
1 Department, general, dry goods & variety stores	79	7,001	$8,003,500	$62,216,900	$5,704,900
2 Motor vehicles	24	663	967,100	7,910,900	931,900
3 Coal and wood	90	762	891,200	6,987,200	618,700
4 Grocery, with meat	238	388	410,900	5,792,300	455,200
5 Grocery, without meat	409	254	178,800	4,194,400	340,000
6 Restaurants	132	1,107	792,800	3,690,600	82,000
7 Lumber & building materials	27	332	373,100	3,480,500	570,200
8 Liquor stores	6	202	267,500	3,450,600	373,200
9 Garages	105	351	387,700	2,200,100	60,600
10 Women's ready-to-wear	32	131	147,400	1,487,500	198,400

New Zealand Pair Named for Ottawa

Stewart and Coates to Represent Antipodean Dominion at Imperial Economic Conference in July

By JOHN A. STEVENSON

The Dominion of New Zealand has been somewhat laggard in naming its delegation for the Imperial Economic Conference and only now is there certainty as to who will come. The premier at first said he would come; later, that he could not. But New Zealand's delegates will consist of Hon. William Downie Stewart, who has charge of the Ministries of Finance and Customs, and Rt. Hon. John G. Coates, M.C.

COATES

Premier Forbes of New Zealand feels that owing to a variety of embarrassing domestic difficulties he cannot leave home, and he has accordingly entrusted the leadership of the New Zealand delegation to the Rt. Hon. Joseph Gordon Coates, M.C., who ranks as second-in-command in the Ministry now charged with the guidance of New Zealand's destinies.

Coates, who is of English descent mainly, comes of good pioneer farming stock and was born on his father's farm in the North Island in 1874. He had to be content with such education as the local schools could provide, and after working on the paternal farm for some years he secured a farm of his own, married and prospered. Indeed, thanks to his competence as a farmer, he prospered so well that in 1911 he was able to contemplate a political career and, being a popular figure in his locality, he was elected in that year to the House of Representatives by the voters of the Kaipara division as a supporter of the Reform party then led by the late W. F. Massey. It came into power at this election, and Coates filled the role of an unobtrusive back-bencher who made his voice heard on agricultural problems. Three years later came the Great War, and Coates, having secured a Commission in a New Zealand regiment went off to Europe to fight. In France he proved an excellent soldier, rising to the rank of Major, and his bravery in action earned him first the Military Cross, and then a bar to it.

Becomes Prime Minister

Returning home with these laurels, he resumed his seat in Parliament and soon found promotion to ministerial rank awaiting him. In 1919 Premier Massey decided he could strengthen his cabinet by bringing in some representative of New Zealands war veterans and he made Coates Minister of Justice. A year later he enlarged his responsibilities by giving charge of the Ministry of Public Works and the Post Office and found him one of his most reliable lieutenants. Then in 1925 Massey, worn out with his labors, died and the Reform party was faced with the problem of finding a new leader and providing the country with a new premier. The country members of the party wanted a representative of their interests as Premier and so they rallied behind Coates and forced his selection in preference to some aspirants of showier intellectual gifts.

But he had scarcely settled down in office when he had to go off to London to represent his country at the Imperial Conference of 1926. There he found himself on an unfamiliar stage and, although he made no serious errors he was content to act as the faithful but more or less silent ally of Stanley Bruce the premier of Australia. When Coates, who, in addition to the premiership held the portfolios of Railways and External Affairs, returned home, he had a fairly easy time until the great depression began and thereafter he became involved in a welter of financial and other troubles.

Joins National Cabinet

His ministry suffered a rapid decline in its popularity and when it went to the country for a new mandate it was decisively beaten, the strategy of the veteran Sir Joseph Ward who had organized the United Party playing a large part in its defeat. When Sir Joseph became premier and formed a government, Coates took the leadership of the Opposition and for four years filled the role of assiduous critic of the ruling administrations. Their troubles were not few or small and as the tide of popular favor turned against the ministry of Mr. Forbes, who had succeeded Sir J. Ward, there seemed every prospect that Coates would regain the premiership at the next election. He refused one offer to join a Coalition ministry but, when later the economic situation had grown more desperate, he could not reject a second invitation and so about a year ago he joined forces with Forbes to form a national government. It prevailed at the general election which followed and Coates as the chief of the Reform element in the Coalition ranked as its deputy-Leader.

So when Forbes could not leave home he was the natural choice as leader of the delegation to Ottawa and his experience at the conference of 1926 will stand him in good stead. He will probably be content to let his colleague Downie Stewart do what tariff bargaining may be necessary and he will chiefly concern himself with getting the best possible advantages by tariff and other concessions for the farmers of New Zealand.

STEWART

New Zealand is sending to Ottawa the man who is the real brains of the ministry in the person of the Hon. William Downie Stewart. As his name betokens he is of Scottish blood and his father, also called William Downie Stewart, was one of the bands of Lowland Scots, who after the great religious schism in Scotland in 1843 emigrated to New Zealand. Settling in the rising City of Dunedin the elder Stewart became a man of mark and sat for several terms in the House of Representatives, ending his political career as a minister.

The son who was born on July 29, 1878 received a good education at Otago High School and Otago University and qualified as a member of the bar. Cradled as he was in politics, he first entered public life through the municipal field and in 1913 when he was only 35 he was chosen mayor of Dunedin. A year later he was elected to the House of Representatives for Dunedin West as a member of the Reform party and supporter of Mr. Massey. Then came the War and Downie Stewart went off to Europe as a second lieutenant in the Otago regiment and served with distinction in Egypt and France, until he was invalided home in 1916.

Is Keen Debater

Resuming his political duties, he became recognized as one of the best debaters in Parliament and the possessor of an intellectual equipment for politics beyond the common lot. So, in 1921, Mr. Massey brought him into his ministry in charge of the Departments of Customs and Internal Affairs. Then when the Reform ministry was reorganized by Mr. Coates who became premier on Massey's death, Downie Stewart gave up one portfolio, Internal Affairs, and took on two others. the Ministry of Finance and the Attorney-Generalship. Mr. Coates was the titular head of the ministry but everybody knew that Downie Stewart was the real driving force and intellectual mainspring. When the Coates ministry fell from office after the election of 1928, Stewart went into opposition with his party and in the ensuing years was the most formidable critic of the policies of the Ward and Forbes Ministries. So when the Coalition Government came to be formed he obviously could not be left out and he was given the dual responsibilities of the Ministries of Finance and Customs.

Restores N. Z. Finances

He has already done much toward restoring New Zealand's finances to a position of stability and as his country's negotiator at Honolulu in connection with the new trade with Canada, he made the acquaintance of our Hon. H. H. Stevens and gained some knowledge of our trade situation. Downie Stewart has a keen vigorous mind and will not be a silent or inactive member of the conference; he is an ardent Imperial co-operationist and will probably be prepared to make further tariff concessions to British imports than Australia and Canada will deem possible. For years he has been an eager student of economic problems and has written considerably about them. Indeed he helped André Siegfried, the eminent Frenchman who has made a special study of the British Commonwealth, to write "Democracy in New Zealand" which is almost a standard work and he also collaborated with Professor Le Rossignol in another book entitled "State Socialism" in New Zealand. Altogether he promises to be one of the more interesting figures of the Conference.

CANADIAN IMPORTERS WANT MORE BRITISH MANUFACTURES

(Continued from page 9)

Berlin, Rome, Madrid, Cairo, and this was one of the attractions for American women of a holiday in Canada. They can buy in Canada now just about what they buy at home and therefore it was desired by merchants and some secondary process manufacturers to present their view that they should be given a much larger assortment of style to choose from. This diversity of choice, they say, is essential to attracting the buying public and it would facilitate proceedings at the July conference if it were understood. They deny that they wish to buy from foreign manufacturers at the expense of Canadian mills and claim that their main desire is to have the supplementary needs that Canadian mills cannot supply well looked after. This can be done to a large extent in the British Empire.

IMPERIAL CONFERENCE CANNOT WORK MAGIC

(Continued from page 9)

1930 and 1931 did not even reach Dr. McGibbon's estimate.

Similarly, goods of Empire origin reaching Canada via the United States are listed officially as American. This error in turn amounts to several million dollars a year.

Further, although English writers speak at great length of the great British investments in the Argentine Republic, they usually fail to record that an equal amount of British capital is invested in Canada, and interest on investments is a standard item in trade balances.

Sir William Clark admitted these facts, although he pointed out that recent trade balances are to some extent dubious, owing to the greater fall in raw material prices than in those of manufactured goods. He insisted that, taking the British figures, Canada has always had a favorable balance with Great Britain. This is correct on commodity exchange only. If interested on investments is included, the balance is often in favor of Great Britain, while, as Mr. Stevens pointed out, we are entitled to credit for shipping services. Canada is, in toto, third country in the world in use of British ocean shipping—as Sir William Clark agrees. He objects that most of this is Canadian Pacific Railway tonnage, but he fails to remark that that company is in the habit of building its ships in Britain, of victualling and serving them there, and of employing sailors resident in British ports. This leaves only the profits for Canadian account, and half of these are included in the interest payable to British investors.

On the whole Mr. Stevens is sustained in principle although there may be some honest quibbling about the details of his figures.

Close Which Factories?

Mr. King, obviously, agrees with Mr. Baldwin. As Mr. King has been Prime Minister, it might be fair to ask him to say definitely whether he is prepared to close Canadian factories, and if so which ones? That is what Mr. Baldwin suggests.

Finally, if we define the success of the Conference as depending, as Mr. King views it, on continuance of the recently adopted system of a preference for Canadian imports into Britain, exactly what does that mean? For the wheat grower, as he has openly admitted, nothing. Of other farm products the only important exports to Great Britain are cheese and—as long as the present United States tariff continues—live cattle. Britain could provide a great market for potatoes, but so far has refused to admit Canadian tubers. On lumber and other forest products a real preference would mean a considerable volume of trade for Canada, but British opinion seems to lean definitely to preservation of present commerce in these lines with Scandinavia. On mineral products a preference would open the British market on favorable terms to certain Canadian products, while in the case of others total Empire production is in excess of requirements.

Bacon Is Prospect

We might develop the production of bacon on a large scale, and we might do something for eggs. These are definitely "mights." It is easier to say that a small preference on Canadian over foreign bacon in the British market would turn us to a great programme of hog raising than to prove it. The comparison that counts in deciding a farmer to raise hogs is not that between the price of Canadian and Danish bacon in London, but that between the returns which he can make from bacon as with those from other forms of production, or even with loafing.

On the whole there seems no real reason to forecast the beginning of a new era of prosperity in Canada if Mr. Baldwin does not cancel the recent preferences, nor yet to regard the world as doomed if he does.

Fate of World Not Involved

To sum up, Britain is the best customer Canada has, and we should speak politely, make any concessions that we can without hurting Canadian industry, and continue, as in the past, to preach and act the "Buy British" doctrine. Canada is a far more important customer of Britain than even Canadians realize, and we should learn the facts of the case, and repeat them to our British brothers. We should study the British statement of the special conditions which make it impossible for Britain to go as far in Empire trade relations as some theorists preach. We should expect the British people to accept our statement of our own industrial needs.

Above all, we should avoid, as we would a deadly poison, the belief that the fate of this, the greatest Empire of history, hangs on the tariff schedules made at Ottawa this summer. We should build reasonable hope on the outcome of the Conference, and avoid the despair which extremists will try to spread when, as is most probable, the mountain in labor brings forth an unimpressive mouse.

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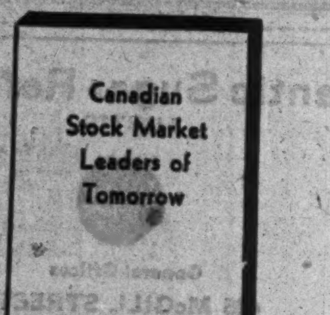
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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING JUNE 27

Range 1932 High	Low	Divd. Rate in $	Yield in % June 25		Sales	Close June 20 (or last)	Week Ending —June 27— High	Low	Close
3.25	.60	.	...	Abitibi	125	.75	1.00	.75	1.00
10	2	.	...	Do. pref.	385	2½	2½	2	2½
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y. p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
7	3½	.	...	Alta. Pac. Gr.	....	8½	..	..	..
25	19	.	...	Do. pref.	....	20	..	..	..
3½	1½	.	...	Amal. Electric	....	1½	..	..	..
11	9	.	...	Do. pref.	200	10½	10½	10½	10½
x3½	2½	.	...	Anglo. N. Hold.	....	..	..	..	..
.37	.15	.	...	Asbestos	320	.15	.20	.15	.15
1.00	.60	.	...	Do. pref.	....	.60	..	..	..
6	4½	60c	13.3	Assoc. Brew.	62	4½	4½	4½	4½
70	65	7	10.2	Do. pref.	....	68½	..	..	..
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele. A	....	..	..	..	..
29½	16	.	...	Atlan. Sugar	200	25	29½	29½	29½
120	92	.	...	Do. pref.	35	120	120	120	120
159½	128½	10	7.7	Bk. Can. Nat.	22	130	129½	129½	129½
225	150	12	7.9	Bk. Montreal	135	151	151½	151	151½
274	238	16	6.6	Bk. N. Scotia	28	240	242	240	240
193	125	12	9.2	Bk. Toronto	47	140	132	125	130
x24	8½	.	...	Barcelona Tr.	....	..	..	..	..
3	2½	.	...	Bathurst Pr.	....	2½	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
‡26	26	.	...	Bawlf Grain	....	..	..	..	..
x25	20	.	...	Do. pref.	....	..	..	..	..
5	4	.	...	Beath & Sons	....	4	..	..	..
10½	4	.	...	Beatty Bros. A	65	4	4	4	4
60	41	6	14.6	Do. pref.	20	42	41	41	41
3.50	.45	.	...	Beauharnois	475	.45	.50	.45	.45
x93	55	7	...	Belding Cort.	....	..	..	..	..
65	65	7	10.7	Do. pref.	....	65	..	..	..
120	75	7	8.6	Bell Telephone	1009	81½	83	80	81
3½	2	.	...	Biltmore Hats	....	3½	..	..	..
50	50	7	14	Do. pref.	....	50	..	..	..
4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
‡97	88	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Blue Ribbon	....	2	..	..	..
25	10	2	20	Do. pref.	25	12	12	10	10
20	17½	2	11.1	Brant. Cd. pf.	56	18¾	18	18	18
14¾	7¾	2½	..	Brazilian Tr.	4899	9½	9¾	9	9½
.40	.40	.	...	Brew. & Distil.	....	..	..	..	..
1	½	.	...	Brewing Corp.	....	½	..	..	..
3½	1	.	...	Do. pref.	50	1½	1¾	1½	1½
11½	8	80c	9.4	Brit. Amer. Oil	1496	8½	8¾	8½	8½
1.75	.60	.	...	B.C. Packers	60	.60	.60	.60	.60
6½	4	.	...	Do. pref.	20	4	4	4	4
26	15	2	12.1	B.C. Power A.	397	16	16½	15½	16½
7½	3½	.	...	Do. (B)	....	4	..	..	..
4	2	.	...	Bruck S. Mills	....	2	..	..	..
20½	10	1.40	14	Building Prod.	65	10	10½	10	10
[illegible]	17	2.40	12	Burt, F. N.	170	20	20	19½	19½
[illegible]	120	6	5	Calgary Pr.	....	120	..	..	..
[illegible]	1½	.	...	Canada Bread	....	1½	..	..	..
[illegible]	82	7	8.4	Do. pref. A.	....	83	..	..	..
[illegible]	25	2	8	Do. pref. B.	....	25	..	..	..
[illegible]	6½	1	13.8	Canada Bud	330	8	8	7½	7½
7	2	.	...	Canada Cement	22	2½	2½	2½	2½
66	20	6.50	...	Do. pref.	5	20	20	20	20
13½	6	1.20	15	Canada Dry	1000	8½	8½	7½	8
6	2½	.	...	Can. Forg. (A)	....	2½	..	..	..
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	3	...	Canada Iron	....	..	..	..	..
x80	75	6	...	Do. pref.	....	..	..	..	..
14½	9½	1.50	15	Can. Malting	55	10	10½	10	10½
15	10½	80c	7.5	Can. Nor. Pr.	....	10½	..	..	..
92	52½	7	11.7	Do. pref.	10	60	60	60	60
x6	¾	.	...	Can. Paving	....	..	..	..	..
x51	10½	.	...	Do. pref.	....	..	..	..	..
186	144	12	8.3	Can. Perman.	....	144	..	..	..
1	½	.	...	Can. Pr. & Pa.	....	..	..	..	..
2½	2	.	...	Can. Steamsh's	....	2½	..	..	..
9	2	.	...	Do. pref.	365	4	3	2	2
16	9½	1.60	14.9	Can. Vinegars	40	10½	11	10¾	10¾
55	30	4	13.2	Can. W. Cable	586	39	31½	30	30½
18	5	.	...	Do. (B)	20	9	5	5	5
1½	1½	.	...	Can. Bakeries	....	1½	..	..	..
14	11	.	...	Do. pref.	....	11½	..	..	..
191	123	12	9.6	Can. Bk. Com.	83	127	127	125	125
18½	9	1.25	12.5	Can. Bronze	40	10	10	10	10
102	102	7	6.8	Do. pref.	....	102	..	..	..
5½	1½	.	...	Can. Canners	105	2	2	1½	1½
80	40	6	13.3	Do. 1st pfd.	....	45	..	..	..
9	3½	40c	8.9	Do. 2nd pfd.	10	4½	4½	4	4½
7½	2½	60c	20	Can. Car & F'y	414	3½	3½	3	3
16	10½	1.75	17.1	Do. pref.	415	10½	10½	10½	10½
6	3½	.	...	Can. Celanese	....	3½	..	..	..
60	43	7	16.3	Do. pref.	....	43	..	..	..
20	20	2	10	Can. Convert.	....	20	..	..	..
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	60	6	10	Do. pref.	....	60	..	..	..
17½	7	.	...	Can. Dredge	10	8½	8½	8	8½
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	8	8.9	Can. Fairb. pf.	....	67	..	..	..
4	3	.	...	Can. For. Inv.	....	3	..	..	..
65	65	.	...	Do. pref.	....	65	..	..	..
180	115	4	3.5	Can. Gen. Elec.	....	115	..	..	..
59	52	3.50	6.6	Do. pref.	20	52½	53½	52½	53
66	30	6	20	Can. Hyd. E. p.	276	30½	30	30	30
1½	½	.	...	Can. Ind. Alc.	321	1	1½	1	1
.80	.30	.	...	Do. (B)	....	.30	..	..	..
x5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
x70	64½	.	...	Do. pref.	....	..	..	..	..
20	20	1	5	Can. Lt. & Pr.	....	20	..	..	..
1½	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	..	..	..	..
b1½	½	.	...	Can. Marconi	900	½	½	½	½
13	7	1	13.3	Canadian Oil	....	7½	..	..	..
98	95	8	8.4	Do. pref.	....	95	..	..	..
22½	8½	1.25	12.5	Can. Pacific	3435	10¾	10½	9½	9½
2½	2	.	...	Can. Vickers	....	2	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
2½	1	20c	10	Can. Wineries	495	1	2	2	2
5½	4½	1	20	Can. Wire Box	65	5	5	5	5
12	7	.	...	Catelli Mac A.	....	7	..	..	..
x5	5	.	...	Do. (B)	....	..	..	..	..
x301	290	10	...	Cent. Can. L'n	....	..	..	..	..
2.02	.50	.	...	Chem. Research	11945	1.95	1.95	1.10	1.25
7.25	4.50	.	...	Cities Service	....	6.00	..	..	..
6	3	.	...	Cockshutt Plow	220	4	4	4	4
2	1	.	...	Comm. Alcohol	....	1	..	..	..
3½	1	.	...	Conduits	....	1½	..	..	..
x94	84	.	...	Do. pref.	....	..	..	..	..
8	3½	50c	12.5	Cons. Bakeries	123	4	4½	4	4
1	½	.	...	Cons. Food Pr.	1090	½	½	½	½
x6	3	.	...	Do. (A)	....	..	..	..	..
5	2	.	...	Cons. Indust.	....	2	..	..	..
4	4	.	...	Cons. Paper	....	4	..	..	..
15	15	.	...	Cons. Press	....	15	..	..	..
35	30	4	11.4	Cons. Sand. pf.	....	35	..	..	..
75	25	.	...	Cons. Smelters	2129	32½	32½	26	29
166	142	10	6.7	Consumers Gas	44	150	150	149½	150
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
‡90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	2½	.	...	Cosgrave Brew.	125	2½	2½	2½	2½
5	2	.	...	Cosmos Imp.	15	3½	2	2	2
68	40	7	17.5	Do. pref.	10	45½	40	40	40
3	2	.	...	Crown Dom. Oil	85	2½	2½	2½	2½
13	8	3	...	Crow's N. Coal	6	8	8	8	8
1½	1½	.	...	David & Fre. B	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	..	..	..	..
x10	10	1.50	..	Do. pref.	....	..	..	..	..
6½	3½	.	...	Distill-Seagram	160	4½	4½	4	4
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1½	.	...	Do. "B"	....	2	..	..	..
194	132	12	9.1	Dominion Bank	6	133	132	132	132
27	9	2.50	25.9	Dom. Bridge	561	9½	9¾	9	9½
x40	40	.	...	Dom. Coal	....	..	..	..	..
22½	21	.	...	Dom. Engineer	....	21	..	..	..
65	30	5	16.7	Dom. Glass	....	30	..	..	..
112	85	7	8.2	Do. pref.	....	85	..	..	..
5½	1½	20c	10.7	Dom. Motors	20	1½	1¾	1¾	1¾
7½	3½	.	...	Dom. Pr. Stubs	5	6½	5	5	5
2½	1	.	...	Dom. St. & C B	778	1½	1½	1½	1½
20	13	1.20+30c	11.3	Dom. Store	587	14	14½	13	13½
5	2	.	...	Dom. Tar & Ch.	....	2	..	..	..
x95	79½	.	...	Do. pref.	....	..	..	..	..
63½	39	5	12.5	Dom. Textile	148	40	40	40	40
105	90	7	7.8	Do. pref.	....	90	..	..	..
x12	10	.	...	Donnacona	....	..	..	..	..
2	½	.	...	Dryden Paper	....	½	..	..	..
4	2	.	...	Duff. Paving	....	2	..	..	..
49	28	7	23.3	Do. pref.	....	28	..	..	..
20	20	.	...	East. Koot. Pr.	....	20	..	..	..
x97	94½	.	...	Do. pref.	....	..	..	..	..
16	9	1	11.1	East. Dairies	10	9½	9	9	9
x20	16	1	...	East. Steel	....	..	..	..	..
x100	97	7	...	Do. pref.	....	..	..	..	..
‡34	28½	2	...	East. Theatres	....	..	..	..	..
‡85	80	7	...	Do. pref.	....	..	..	..	..
x3½	3½	.	...	Easy Washer	....	..	..	..	..
9	4½	1.50	..	Economic Inv.	....	4½	..	..	..
x15	15	.	..	Edmonton D'y	....	..	..	..	..
x80	78¾	6.50	..	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	10	3	30	Eng. Electric	....	10	..	..	..
2½	1½	.	...	Do. (B)	5	2	1½	1½	1½
6	6	2	...	Fam. Players	....	6	..	..	..
7½	7½	2	...	Do. Vot. Tr.	....	7½	..	..	..
10	9	.	...	Fanny Farmer	....	9	..	..	..
29	25	2.40	9.6	Do. pref.	....	25	..	..	..
‡83½	75	.	...	Firstbrook Box	....	..	..	..	..
16½	5½	.	...	Ford Motors A	1420	8	8½	7½	7½
3½	2	.	...	For. Pr. Secs.	....	2	..	..	..
9	5	50c	10	Foundation Co.	100	6	5	5	5
1.25	.25	.	...	Fraser Cos.	125	.25	.25	.25	.25
50	50	.	...	Front. Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
x96½	85	.	...	Do. pref.	....	..	..	..	..
[illegible]	.50	.	...	Gen. St. Wares	....	.50	..	..	..
82	38	5	11.4	Goodyear Tire	....	42	..	..	..
93½	70	7	9.7	Do. pref.	21	73	73	71	73
x98½	93½	.	...	Gould Pumps p	....	..	..	..	..
¾	..	.	...	Gt. W. Saddlery	....	¾	..	..	..
x8	6	.	...	Do. pref.	....	..	..	..	..
21	8	1.60	16	Gurd, Chas.	5	10	10	10	10
106	106	7	6.6	Do. pref.	....	106	..	..	..
5	2	.	...	Gypsum, Lime	670	2½	3	2½	3
7	2	.	...	Ham. Bridge	140	2½	3	3	3
60	60	6.50	10.8	Do. pref.	....	60	..	..	..
10	6	.	...	Ham. Cot., pf.	....	7	..	..	..
2	1½	.	...	Ham. U. Theat.	....	2	..	..	..
53	48	7	14	Do. pref.	....	50	..	..	..
4	2	.	...	Hayes Wheel	....	2	..	..	..
95	80	.	...	Do. pref.	....	..	..	..	..
50	50	.	...	Hillcrest Coll.	....	..	..	..	..
91	91	.	...	Do. pref.	....	..	..	..	..
2	1	.	...	Hinde & Dauch	....	1½	..	..	..
[illegible]	75	.	...	Holt Renfrew	....	..	..	..	..
[illegible]	90	7	...	Do. pref.	....	..	..	..	..
3¾	½	.	...	Honey Dew	....	1	..	..	..
[illegible]	20	.	...	Do. pref.	....	20	..	..	..
4	2	.	...	H. Smith Pap.	80	2	2	2	2
[illegible]	18	.	...	Do. pref.	....	18	..	..	..
[illegible]	15	2	13.1	Humberstone S.	....	15½	..	..	..
[illegible]	14	1	7.1	Hunt (A)	....	14	..	..	..
[illegible]	18½	1	...	Do. (B)	....	..	..	..	..
[illegible]	100	8	8	Huron & E. Mt	....	100	..	..	..
[illegible]	28	.	...	Do. 20% pd.	....	..	..	..	..
[illegible]	4½	.	...	Hydro Electric	325	5½	4¾	4¾	4¾
193	132½	12	9	Imperial Bank	18	135	135	133	133
[illegible]	7½	50c	5.9	Imperial Oil	10455	7½	8½	7½	8½
[illegible]	6	35+17½c	8	Imperial Tob.	990	6½	6¾	6½	6¾
x80	80	8	...	Inter. Coal, p.	....	..	..	..	..
6	6	.	...	Int. Hyd. E. A.	....	6	..	..	..
97	90	7	7.8	Inter. Mill., pf.	60	90	90	90	90
77	77	6	7.8	Do. Series A.	10	77	77	77	77
11	4	.	...	Inter. Nickel	6050	5	5½	4½	4½
4	4	.	...	Inter. Paints	....	4	..	..	..
b2½	⅞	.	...	Int. Pa & Pr A	....	⅞	..	..	..
b1	1	.	...	Do. (B)	....	1	..	..	..
b⅞	½	.	...	Do. (C)	....	½	..	..	..
b11	2½	.	...	Do. pref.	....	2½	..	..	..
11½	9½	1	9.7	Inter. Pete.	2685	10	10⅜	9½	10¼
x8	5	.	...	Inter. Power	....	..	..	..	..
x78	56½	.	...	Do. pref.	....	..	..	..	..
9½	2	.	...	Int. Util. (A)	35	3	2½	2	2
3	½	.	...	Do. (B)	....	½	..	..	..
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
x109	99½	7	...	Do. pref.	....	..	..	..	..
4	3½	.	...	Kelvinator	....	3½	..	..	..
90	60	7	11.7	Do. pref.	....	60	..	..	..
7	4	.	...	Lake of Woods	....	4	..	..	..
x101	82	.	...	Do. pref.	....	..	..	..	..
x140	140	8	...	Landed Bank	....	..	..	..	..
39	30	3	9.4	Laura Secord	20	33	32	30	30
8	1½	.	...	Lindsay, C. W.	26	1½	2	1½	2
60	37	6.50	17.5	Do. pref.	67	37	37	37	37
10¾	9	80c	8.5	Loblaw (A)	1322	9	9½	9	9½
10¾	8	80c	9.7	Do. (B)	50	8¼	8¼	8¼	8¼
‡2½	2½	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	..	..	..	..
x95	90	7	...	Do. pref.	....	..	..	..	..
6½	6½	.	...	Manitoba Pr.	....	6½	..	..	..
5	2	.	...	Maple Leaf	....	3	..	..	..
20½	8	.	...	Do. pref.	....	8	..	..	..
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	52	.	...	Do. pref.	....	52	..	..	..
4½	2½	.	...	Massey-Harris	120	2¾	2¾	2½	2¾
10½	7	60c	7.3	McColl Fron.	947	8¾	8½	7¾	8
59	59	6	10.2	Do. pref.	....	59	..	..	..
x45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	2	...	Mitchell, J. S.	....	..	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
8	3	.	...	Mitchell, Robt.	10	3	3	3	3
x1	1	.	...	Monarch Knit.	....	..	..	..	..
30	23	.	...	Do. pref.	....	25	..	..	..
75	50	6	12	Montreal Cot.	....	50	..	..	..
x102	98	7	...	Do. pref.	....	..	..	..	..
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
9½	7	.	...	Mont. Is. Pr.	....	7	..	..	..
38	20½	1.50	5.9	Mont. L. & Pr.	4171	25½	26½	25½	25½
x49½	48	3+25	...	Montreal Loan	....	..	..	..	..
47	40	3.20	8	Montreal Tele.	30	42½	40	40	40
159	98	10	10	Mont. Trams.	2	102	100	98	100
10	4½	.	...	Moore Corp.	....	4½	..	..	..
93	65	7	10.8	Do. (A)	....	65	..	..	..
97	72	7	9.7	Do. (B)	....	72	..	..	..
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	1	...	Do. pref.	....	..	..	..	..
2	1	10c	...	Muirheads	....	1	..	..	..
9	8	75c	8.3	Do. pref.	....	9	..	..	..
24	9½	1.60	12.8	Nat. Brew.	1043	13	13	12½	12½
25	25	1.75	7	Do. pref.	....	25	..	..	..
‡10	3	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
12½	6	80c	13.3	Nat. Steel Car.	235	7	7	6	6
255	245	12	4.9	National Tr.	....	245	..	..	..
10	10	.	...	Niag. W. Weav.	....	10	..	..	..
x36	23	3	...	Do. pref.	....	..	..	..	..
2.50	1.75	.	...	North Star Oil	3	1.75	2.00	2.00	2.00
4.00	4.00	35c	8.7	Do. pref.	....	4.00	..	..	..
‡25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
x285	125	8	...	Ogilvie Flour*	....	..	..	..	..
105	96	7	7.3	Do. pref.	5	100	96	96	96
9	6	40c	6.6	Ont. Eq. 10% p	5	7½	6	6	6
102	94½	6	6.3	Ontario Loan	34	95	94½	94½	94½
x7	5	.	...	Ont. Silknit	....	..	..	..	..
x16	13	.	...	Ont. Steel	....	..	..	..	..
†105	105	7	...	Do. pref.	....	..	..	..	..
x1½	½	.	...	Orange Crush	....	..	..	..	..
45	18	.	...	Do. (A)	....	18	..	..	..
x5½	1	.	...	Do (B)	....	..	..	..	..
100	100	6	6	Ott. L H & P*	....	100	..	..	..
100	90	6.50	7.2	Do. pref.	10	93	90	90	90
x25	25	.	...	Ott. Traction	....	..	..	..	..
68	35	5	13.4	Page Hersey	230	40½	39	37	37
b11½	1½	.	...	Paramount	12900	2½	2½	1½	1½
x35	30	.	...	Paton Mfg.	....	..	..	..	..
x94	92	7	...	Do. pref.	....	..	..	..	..
.37	.25	.	...	Pelissiers	....	.25	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
28	20	3	15	Penmans	10	20	20	20	20
x101	93	6	...	Do. pref.	....	..	..	..	..
19½	9	2	22.2	Photo Eng.	....	9	..	..	..
x40	10	.	...	Port Alfred, pf	....	..	..	..	..
x70	64	7	...	Porto Rico Pr. p	....	..	..	..	..
b9	2½	.	...	Postal Tele. p.	....	..	..	..	..
36½	6	.	...	Power Corp.	631	7	7	6	6
90	68½	6	8.7	Do. pref.	....	68½	..	..	..
2	2	.	...	Prairie C. Oil	....	2	..	..	..
10	5	.	...	Pressed Metals	25	5	5	5	5
x42½	25	.	...	Price Bros.*	....	..	..	..	..
x99	70	.	...	Do. pref.*	....	..	..	..	..
29	9½	1.50	13.3	Quebec Power	43	11½	12	10½	11½
x110	105	7	...	Real Estate L'n	....	..	..	..	..
2	½	.	...	Regent Knit.	25	½	½	½	½
7	5½	.	...	Reliance Grain	....	5½	..	..	..
12	7	1	14.8	River. S. Mills	....	7	..	..	..
12	12	1.50	12.5	Robinson Cone	....	12	..	..	..
4	1½	.	...	Rogers Majest.	220	1½	1½	1½	1½
150	120	12	9.2	Royal Bank	254	130	130	129	130
x84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
33	32½	2	6.1	Russell Motor	....	32½	..	..	..
70	35	7	20	Do. pref.	5	45	35	35	35
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Station	....	3½	..	..	..
46	24	3	11.7	Do. pref.	100	27	25½	24	25½
33	7½	1	10	Shawinigan	2199	9½	10	9½	9½
20	7	.	...	Sher. Wms.	45	7	7½	7	7
x121	112	7	...	Do. pref.	....	..	..	..	..
17	5	.	...	Simon & Son	55	5	5	5	5
80	65	7	10.7	Do. pref.	40	67½	65	65	65
55½	13	.	...	Simpson, Ltd.	....	15	..	..	..
x44½	36	.	...	Do. (A)	....	..	..	..	..
x36½	24½	.	...	Do. (B)	....	..	..	..	..
77	77	6	7.8	Simpson, R., p.	....	77	..	..	..
26	10	1	9.1	So. Can. Pr.	50	10½	12	11	12
90	60	6	9.7	Do. pref.	38	61½	61½	60	61½
1.00	.50	.	...	St. Law. Corp.	....	.50	..	..	..
4	1½	.	...	Do. (A)	....	1½	..	..	..
12	9	.	...	St. Law. Flour	....	9	..	..	..
80	75	7	9.3	Do. pref.	50	80	75	75	75
11	7	.	...	St. Law. Pap. p	....	7	..	..	..
x30	4	.	...	St. Maur. V. p	....	..	..	..	..
3	1½	.	...	St. Pav. & Mat.	....	1½	..	..	..
46	25	4	13.8	Do. pref.	275	28	29	25	25
5	4	50c	..	Stand. Chem.	....	5	..	..	..
x1	1	.	...	Stanfords	....	..	..	..	..
3½	1½	.	...	Stand. Steel	....	1½	..	..	..
x35	30	3	...	Do. pref.	....	..	..	..	..
24	10½	1.75	14	Steel of Can.	246	12	12½	11½	12
29	20	1.75	8.3	Do. pref.	215	21	21	20½	20½
½	½	.	...	Sterling Coal	....	½	..	..	..
18½	9½	1	7.7	Sup. Pete. ord.	15	13	13	13	13
x31	14	1	...	Do. com.	....	..	..	..	..
98	90	7	7.8	Do. pref.	....	90	..	..	..
42	36	.	...	Tamblyn	....	42	..	..	..
100½	95	7	7.2	Do. pref.	10	99	96½	96½	96½
18	15	3.50	23.3	Thayers, pref.	....	15	..	..	..
7	3	.	...	Tip Top Tailors	....	3	..	..	..
67	67	7	10.4	Do. pref.	....	67	..	..	..
x22	10	.	...	Tooke Bros.	....	..	..	..	..
x67	48½	.	...	Do. pref.	....	..	..	..	..
18	9	.	...	Tor. Elevators	....	9	..	..	..
210	160	10	6.2	Tor. Gen. Tr.	....	160	..	..	..
92	85	6	6.5	Toronto Mtge.	....	92	..	..	..
x3	1	.	...	Traymore	....	..	..	..	..
x12½	7	.	...	Do. pref.	....	..	..	..	..
120	105	7	6.7	Tuckett Tob. p	....	105	..	..	..
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	28	.	...	Do. (notes)	....	23	..	..	..
5	1½	.	...	Union Gas	370	3½	3½	3½	3½
100	100	5	5	Union Trust	....	100	..	..	..
x8	3	.	...	United Fuel	....	..	..	..	..
15	5	.	...	Do. pref.	....	5	..	..	..
24½	24½	2	8.1	United Secs.	....	24½	..	..	..
11	5	.	...	Viau Biscuit	....	6	..	..	..
75	60	7	11.7	Do. pref.	....	60	..	..	..
12	5	.	...	Wabasso Cot.	40	7	5	5	5
5½	2½	.	...	Walker-Good.	2073	4½	5	4½	4½
12	9	1	10.7	Do. pref.	3306	9½	9¾	9¾	9¾
3½	1½	.	...	Waterloo Mfg.	....	2	..	..	..
80	75	7	9	W. Koot. Pr. p	....	80	..	..	..
8	5½	.	...	West. C. Flour	....	5½	..	..	..
x96	70	6.50	..	Do. pref.	....	..	..	..	..
11	10	.	...	West. Grocers	....	11	..	..	..
54	43	7	15.5	Do. pref.	....	45	..	..	..
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
18½	16½	1	5.9	Weston Bisc.	....	16½	..	..	..
70	65	7	10.4	Do. pref.	5	67	67	67	67
10	10	.	...	Windsor Hotel	....	10	..	..	..
38	20	3.25	16.2	Do. pref.	10	38	20	20	20
8	2	.	...	Winnipeg Elec.	300	3½	3	2½	2½
14	14	.	...	Do. pref.	....	14	..	..	..
x46	36	.	...	Woods Mfg. p.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
§ 2% stock dividend paid June 1; 25c cash paid Mar. 1, 1932.
* Minimum price is set, below which trading is not permitted for time being. List of minimum prices is given elsewhere.

Winnipeg Stock Exchange

June 24 1932

	Bid	Ask
Beaver Fire	..	115
Beaver Lumb. pfd.	..	80
Can. Amer. Tr. shs.	..	2¼
City Dairy (Wpg.) pref. 7%	..	55
Do., pref. 8%	..	80
Corp. Steel c.	..	5
Cres.-Cream. pfd.	..	65
Monarch Life	..	22
N. Can. Mtge. pfd.	..	15
North. Trust	..	24
Un. Gr. Growers	10½	..
Reliance Gr. pf.	..	50
West. Breweries	1	2
Fund. Tr. shs. "A"	..	2
Do., "B"	..	2¼
Grouped Inc. Shs.	..	2.76

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
June 28, 1932

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.60	....
Acadia Sugar pfd.	2.60	....
Acme Farmers Dairy pfd.	60.00	68.00
Agnew Surpass pf.	51.00	58.00
Allens Lond. pfd.	29.00	....
Andian Nat. Corp.	18.00	21.00
B.C. Pulp & Paper c.	....	2.50
B.C. Pulp & Paper 7% pfd.	....	10.00
Can. & Dom. Sugar com.	15.00	16.00
Can. Mach. com.	2.25	5.50
Can. Mach. 7% pf.	20.00	26.00
Can. Pack. c.	7.00	8.00
Can. Packers 7% pfd.	49.00	52.00
Can. Starch pfd.	64.00	67.00
Can. Tea pfd.	....	54.00
Can. Wire & Cable pfd. W.W.	69.50	71.00
Can. Celanese pf.	....	44.75
Can. Indust. c. 'A'	40.00	42.00
Do., "B"	40.00	42.00
Do., 7% pfd.	97.50	98.50
Can. Westing.	32.00	33.50
Chase, A. W. Units	29.50	31.00
Claude Neon Gen. Adv. c.	2.75	3.25
Claude Neon Gen. Adv. Units	20.00	25.00
Crescent Creameries pfd.	60.00	65.00
Dodge Mfg. "B" c.	1.10	....
Dodge Mfg. "A" pfd.	5.00	....
Dom. Foundries & Steel c.	5.00	7.00
Dom. Foundries & Steel pfd.	63.50	....
Dom. Mfrs. pfd.	65.00	70.00
Dom. Tar pfd.	....	30.00
Dunlop Tire 7% pfd.	38.00	40.00
Eastern Car 6% pfd.	39.00	....
Eastern Dairy pf.	60.00	66.00
Fed. Grain pfd.	20.00	22.00
Goderich Elevator & Transit	11.25	12.25
Greening Wire 7% pfd.	67.00	73.00
Guard. Realty pf.	....	30.50
Guelph Carpet c.	4.00	5.00
Guelph Carpet pf.	69.00	74.00
Harding Carp. pf.	....	48.00
Inter City Bak. c.	40.00	43.00
Inter. Proprietaries "A"	19.00	21.00
Langleys pfd.	....	50.00
Loew's Lond. c.	.50	1.00
Loew's Lond. pfd.	2.75	3.25
Massey Harris pf.	8.00	9.00
Morrow Screw Nut 7% pfd.	93.00	98.00
Mt. Royal Htl. c.	.50	1.00
Mt. Royal Htl. 6% pfd.	4.50	8.00
Nat. Grocers c.	1.00	1.50
Nat. Grocers 2nd pfd.	....	26.00
Price Bros. c.	4.00	....
Prov. Paper pfd.	....	83.00
Reliance Grain pf.	45.00	49.00
Rolland Paper pfd. W.W.	28.00	33.00
Standard Clay Products c.	18.00	23.00
Standard Fuel pfd. bonus	50.00	52.50
Supertest Petroleum "B" pfd.	16.00	20.00
Toronto Brick pf.	....	35.00
Toronto Carpet c.	....	95.00
Toronto Carpet 8% pfd.	75.00	90.00
Toronto Elevators 7% pfd.	65.00	70.00
Toronto Hous. c.	21.00	30.00
Un. Amust. "A"	15.00	18.00
Western Grain pfd. bonus c.	10.00	14.00
Willards Choc. pf.	....	24.00

Insurance Stocks:	Bid	Asked
Canada Life Ass.	....	400.00
Canada nat. Fire	13.50	16.00
Can. Fire Ins.	67.50	74.00
Capital Life 20% pd.	10.00	17.00
Confederation Life 20% pd.	130.00	143.00
Continental Life 20% pd.	50.00	55.00
Crown Life Ins.	95.00	....
Dominion Fire	85.00	95.00
Dom. Life 50% pd.	275.00	305.00
Dom. of Can. Gen. Ins.	....	145.00
Excelsior Life 30% pd.	75.00	80.00
Fidelity Ins. of Canada	....	70.00
Gt. West Life	190.00	210.00
Guarantee Co. of N. A.	210.00	270.00
Halifax Fire	6.25	7.50
Imperial Life	275.00	300.00
Mfrs. Life	....	240.00
Monarch Life 10% pd.	16.00	20.00
Nat. Life 25% pd.	....	85.00
Saskatchewan Life 10% pd.	....	15.00
Sovereign Life 25% pd.	14.00	19.00
Sun Life Assur.	155.00	175.00
Western Assur. c.	14.00	18.00
Western Life 20% pd.	7.00	12.00
Trust & Loan Stocks:		
Brit. Mtg. & Tr.	140.00	170.00
Can. Gen. Investments Ltd.	1.75	2.50
Chartered Trust	65.00	73.00
Deb. & Sec. c.	....	25.00
Deb. & Sec. pfd.	....	38.50
Eastern Can. Sav. & Loan	115.00	130.00
Eastern Trust	140.00	153.00
Guelph & Ont. Inv. par $50	45.00	53.00
Investment Foundation Units	18.00	20.50
Lambton Loan & Savings	55.00	64.00
London & Western Trust	85.00	90.00
Midland Loan & Savings	16.00	....
Mtge. Discount pf.	2.00	3.00
Mutual Fin. pfd.	....	3.00
Mutual Fin. c.	....	3.00
Northern Trust	....	23.25
Premier Trust	80.00	85.00
Provincial Bank	92.00	100.00
Security Loa. & Savings	90.00	105.00
Sherbrooke Trust	95.00	110.00
Sterling Trust	60.00	68.00
Traders Fin. c.	....	3.00
Traders Fin. pfd.	20.00	30.00
Trusts & Guar.	45.00	50.00
Victoria Trust & Savings	175.00	....
Waterloo Trust & Savings	100.00	110.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	80.00	82.50
Calgary Pwr. pfd.	51.50	53.50
Can. Light & Pwr. com.	15.00	18.00
Can. West. Nat. Gas LH&P com.	18.00	23.50
Can. West. Nat. Gas LH&P pfd.	56.00	59.00
Gt. Lakes Pwr. pf.	....	67.50
N.B. Pwr. 1st pfd.	....	50.00
N.B. Telephone c.	5.50	7.50
N.S. L&P pfd.	....	65.00

Recent London Quotations:

Brewer Distillers	1s. 9d.
Can. & For. Sec.	3s. 9d.
Can. West. Lumber	1s.
Hudson's Bay	13s. 9d.
Do., 5%	55s.
Internat. Holdings	3¼
Nld. Pr. & Pap. deb. stock "B"	80
Trust & Loan of Can.	1s. 9d.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
June 28, 1932

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	22.00	26.00
Acadia Sugar 6% 1946	69.00	72.00
American Sales Book 6% 1939	101.00	104.00
Arnold Bros. 6% 1947	48.00	....
B. A. Oil 5% 1945	83.00	88.00
Brandram-Henderson 6% 1939	....	85.00
Canada Biscuit 6½% 1946	16.00	20.00
Canada Bread 6% 1941	....	88.00
Canada Cement 5½% 1947	67.00	71.00
Can. Crushed Stone 6½% 1944	64.00	69.00
Can. Machinery 6% 1941	52.00	....
Can. Steamship 6% 1941	17.00	20.00
Can. Copper Refin. 6% 1945	86.00	89.00
Can. Vickers 6% 1947	62.00	64.00
Cosmos Imp. Mills 6½% 1944	83.00	88.00
Davies, Wm., 6% 1942	74.50	76.50
Dom. Manufacturers 6% 1933	95.00	....
Dom. Tar & Chemical 6% 1949	55.00	58.00
Eaton Realty 5% 1949	77.00	81.00
Famous Players 6½% 1948	....	55.00
Federal Grain 6% 1949	64.00	68.00
Firestone Tire 7% 1937	108.00	....
Fraser Co. 6% 1932	14.00	20.00
Goodyear Cotton 6% 1949	90.00	94.00
Great Lakes Paper 6% 1950	11.00	13.50
Gypsum, Lime & Alab. 5½% 1948	....	40.00
Howard Smith 5½% 1953	43.00	47.00
Loew's Toronto 6% (Serial)	97.00	101.00
Maple Leaf Milling 5½% 1949	53.00	57.00
Massey Harris 5% 1947	56.50	58.50
McColl Frontenac 6% 1949	73.00	77.00
McKinnon Industries 6½% 1945	91.00	95.00
Montreal Coke & Mfg. 5½% 1947	85.00	89.00
Montreal Drydock 6% 1948	47.00	51.00
Ont. Steel Products 6% 1948	89.00	92.00
Richmond Bay 6½% 1947	58.00	63.00
Rowntree Co. Ltd. 6% 1937	95.00	100.00
Simpsons Ltd. 5½% 1949	52.00	....
Simpsons Ltd., 6% 1949	57.00	61.00
Standard Clay Prod. 6% 1942	72.00	....
Steel of Canada 6% 1940	100.00	103.00
United Grain Growers 5/48	67.00	69.00
Western Grain 6% 1949	57.00	....
Public Utility Bonds:		
Bell Telephone 5% 1957	96.50	100.50
B. C. Power 5% 1960	67.00	70.00
B. C. Power 5½% 1960	72.00	75.00
B. C. Telephone 5% 1960	81.00	85.00
Calgary Power 5% 1960	68.00	72.00
Can. Northern Pwr. 5% 1953	63.00	65.00
Elect. Develop. 5% 1933	109.00	....
French Natl. Mail SS 6/52	116.00	120.00
Gatineau Pwr. 5% 1956	62.00	65.00
Gatineau Pwr. 6% 1941 Apr. 1	46.00	50.00
Maclaren Quebec 5½% 1961	57.00	60.00
Montreal Isl. Pwr. 5½% 1957	76.00	81.00
Montreal LH&P 5% 1951	96.00	99.00
Montreal Tram. 5% 1941 July	87.50	90.50
Montreal Tram. 5% 1955	69.00	72.00
Ottawa Valley Pwr. 5½% 1970	79.00	88.00
Quebec Power 5% 1968	....	75.00
Rio Tramways 5% 1935	77.00	80.00
Shawinigan W&P 4½% 1970	65.00	68.00
Shawinigan W&P 5% 1970	72.00	77.00
Southern Can. Pwr. 5% 1955	78.00	83.00
West Kootenay Pwr. 5% 1956	64.00	69.00
Western Power 5% 1949	80.00	84.00
Government Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	87.00	88.50
C. N. R. 4½% 1957 Dom. Gtd.	86.00	87.25
C. N. R. 5% 1969 Dom. Gtd.	94.00	95.50
C. P. R. 5% 1954	73.50	....
Dom. of Can. 5% 1936	97.00	98.25
Dom. of Can. 5% 1941	96.00	97.00
Ont. Hydro 5% 1939 Ont. Gtd.	93.00	96.00
Prov. of N. S. 5% 1959	91.50	93.50
Prov. on Ontario 5% 1948	92.75	94.25
Prov. of Ontario 5½% 1947	97.25	98.25

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Ajax Oil	12c	3c	July 15	June 30
Acme Farmers Dairy pfd.	7%	3½%	Aug. 10	July 30
Beatty Bros. 1st pfd.	$6	$1.50	Aug. 1	July 15
Bordens	$2	50c	Sept. 1	Aug. 15
Brantford Cordage 1st pfd.	$2	50c	July 15	June 20
Bell Telephone	7%	1¾%	July 15	June 23
B.C. Power (A)	$2	50c	July 15	June 30
Can. Northern Pr.	80c	20c	July 25	June 30
Do., pref. 7%	7%	1¾%	July 15	June 30
Canadian Car c.	60c	15c	Aug. 30	Aug. 15
Canadian Car, pfd.	$1.75	44c	July 9	June 25
Canada Bud	$1	25c	July 15	June 30
Can. Converters	$2	50c	Aug. 15	July 31
Can. Fairbanks pfd.	6%	1½%	July 15	June 30
Can. Southern Rly. c.	$3	$1.50	Aug. 1	July 1
Can. L. & Power	$1	50c	July 15	June 30
Canada Dry	$1.20	30c	July 15	July 1
Can. Bronze	$1.25	31¼c	Aug. 1	July 20
Do., pref.	$7	$1.75	Aug. 1	July 20
Can. Industries, pfd.	$7	$1.75	July 15	June 30
Do., com., "A" & "B"	$2.50	62½c	July 30	June 30
Do., extra		50c	July 30	June 30
Can. Wineries	20c	5c	July 15	June 30
Dominion Textile, pref.	7%	1¾%	July 15	June 30
Dome Mines	$1	25c+20c	July 20	June 30
Eastern Dairies pfd.	7%	1¾%	July 15	June 30
Do., com.	$1	25c	Aug. 1	June 30
Eastern Theatres pfd.	7%	3½%	July 30	June 30
Hamilton Bridge pfd.	6½%	1⅝%	Aug. 1	July 15
Hollinger Gold Mines	65c	5+5c	July 14	June 30
Howe Sound	40c	10c	July 15	June 30
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
Inter. Hydro-Elec. pfd.	$3.50	87½c	July 15	June 27
Invest. Foundation, pfd.	$3	38c	July 15	June 30
Inter. Utilities, pfd.	$1.75	43¾c	July 15	July 5
Do., pfd.	$3.50	87½c	Aug. 1	July 15
Do., pfd.	$7	$1.75	Aug. 1	July 15
McColl Frontenac pfd.	$6	$1.50	July 15	June 30
Monarch Mtge. & Inv. pfd.		10c	July 15	June 30
Montreal Telegraph	$3.20	80c	July 15	June 30
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
National Biscuit	$2.80	70c	July 15	June 17
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref.	6%	1½%	July 25	June 30
N. B. Telephone, c.	60c	15c	July 15	June 30
Penmans	$3	75c	Aug. 15	Aug. 5
Do., pref.	6%	1½%	Aug. 1	July 21
Power Corp., pfd.	$6	$1.50	July 15	June 30
Do., 2nd pfd.	$3	75c	July 15	June 30
Siscoe Gold Mines		4c	July 30	July 15
Standard Steel "A" pref.	$3	75c	July 5	June 15
Southern Can. Power pfd.	6%	1½%	July 15	June 30
Do., com.	$1	25c	Aug. 15	July 30
Silverwood's Dairies, pfd.	7%	1¾%	July 30	June 30
Teck, Hughes	60c	15c	Aug. 1	July 15
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
United Securities	$2	50c	July 15	June 30
Western Grocers pfd.	7%	1¾%	July 15	June 20

Dividends Passed or Deferred:

Debenture Co. of Can. c. July 31, passed. Last paid $3 July 31, 1931.

Inter-Hydro Electric "A" com. July 15, passed. Last paid 50c. April 15, 1932.

Dominion Tar, pfd. Aug. 1 passed. Last paid 1¾% May 1, 1932.

Power Corp., com. Aug. 20, passed. Last paid 50c. May 20, 1932.

City Dairy (Wpg.) 8% and 7% pref. July 1, deferred. Last paid Apr. 1, 1932.

Associated Telephone, all preferred issues and class "A" July 1, passed.

Orange Crush, pref. "A" July 1, passed. Last paid $1.75 Apr. 1, 1932.

Dividend Rate Reduced:

Bell Telephone 1¾%, July 15. Reduced from 8% to 7% per annum.

Bordens, c. 50c. Sept. 1. Reduced from $3 to $2 per annum.

Monarch Mtge. & Invest. pfd. 10c. July 15. Reduced from 12½c.

Sterling Trusts, June 30, $6 to $4 per annum.

Supersilk Hosiery, pref., July 2. Reduced from $7 to $3.50 per annum.

Central Canada Loan, July 2, 2½%. Reduced from 12% to 10% per annum.

Howe Sound, 10c. July 15. Reduced from $1 to 40c. per annum.

Trusts and Guarantee, $2.50 July 1. Reduced from $6 to $5 per annum.

Lambton Loan & Inv., $2.25 July 2. Reduced from $5 to $4.50 per annum.

Dividend Rate Increased:

Premier Trust, $5 to $6 per annum, June 30.

Extra Dividends:

Dome Mines, 20c., July 20.

Hollinger Gold Mines 5c. July 14.

Can. Industries, com. 50c. July 30.

Winnipeg Grain Prices

Week to June 28

Crop Year from Aug. 14— High	Low		Open June 22	High for week	Low for week	Close June 28
		Wheat				
.77½	.53	July	.54½	.54¾	.53¾	.54
.72¾	.55½	Oct.	.56½	.57¾	.55¾	.56½
.66¾	.56¼	Dec.	.57½	.58½	.56½	.58¾
		Oats				
.37½	.30½	July	.33½	.34½	.33½	.33½
.35¾	.28½	Oct.	.28¾	.29½	.28¾	.28¾
.27¾	.26¾	Dec.	....	.27½	.26¾	.26¾
		Barley				
.45½	.36½	July	.38¾	.39½	.38½	.38½
.43½	.32	Oct.	.34½	.34½	.33½	.33¾
.35½	.33¾	Dec.	.33¾	.34	.33½	.33½
		Flax				
1.16½	.68	July	.70½	.71¾	.68	.70½
1.09½	.72½	Oct.	.73¾	.75	.72½	.74
.78½	.75½	Dec.	.76	.77	.75½	.76½
		Rye				
.59	.32½	July	.33½	.34½	.32	.33¾
.55¾	.34½	Oct.	.35	.35¾	.34½	.34¾
.37½	.35½	Dec.	.36	.36½	.35½	.35¾

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week to June 28

High *to date	Low	Wheat	Close June 21	High for week	Low for week	Close June 28
.66½	.48½	July	.49½	.49½	.48½	.49
.66¼	.51	Oct.	.51½	.52	.51	52

*Since trading opened March 3, 1931.

Foreign Exchange

	New York Funds High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Low (Premium) %
June 22	15 1-2	14 5-8	11-32	9.32
June 23	14 7-8	14 1-2	13-32	11-32
June 24	15	14 7-8	1-2	3-8
June 25	14 15-16	14 13-16	11-16	9-16
June 27	14 13-16	14 1-4	5-8	1-4
June 28	14 5-16	14 1-4	5-16	3-16

STERLING, FRANCS AND LIRE
(Close Demand in New York)

	Sterling	Francs	Lire
June 22	3.62 1-8	3.93 1-4	5.09 3-4
June 23	3.61 1-2	3.93 1-2	5.10 1-2
June 24	3.60 5-8	3.93	5.08 3-4
June 25	3.61 1-4	3.93	5.08 3-4
June 27	3.61 1-8	3.93 1-8	5.09
June 28	3.60 3-4	3.93 3-16	5.08 3-4

FOREIGN EXCHANGE
(Close Demand in Toronto)

		June 14	June 21	June 28
5.26	Italian	5.93¾	5.91¾	5.81¾
22.80	German	27.39	27.49	27.09½
13.90	Belgian	16.10	16.10	15.92¾
49.80	Japanese	36.75	34.87	.31.15

Listed Bond Quotations

Week Ending June 27

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	22½	...	...	...	...
Asbestos	5	1942	...	...	...	...	46	24½
Asbestos, 1st mtge.	6	1941	...	...	...	...	65½	49
Do., gen. mtge.	6	1956	...	...	...	...	*20	14
Can. Cons. Rub.	6	1946	...	...	...	...	*9	...
Can. Cottons	5	1940	...	...	...	...	*69½	...
Can. Forgings	6	1942	...	...	...	...	*91	90
Can. Locomotive	6	1951	...	...	...	...	*100	...
Can. Pr. (Laur.)	5½	1958	...	†6½	...	...	‡96	...
Do. (Way. Ser.)	5½	1958	...	...	...	...	7	6
Can. S. S. deb.	5	1943	...	...	...	...	*28½	5½
Cedars Rapids	5	1953	5.40	†100	...	...	‡98½	...
Dom. Canners	6	1940	...	...	...	...	100	95
Dom. Coal	5	1940	...	...	...	...	‡103	...
McNish	6	1948	...	†98½	...	...	*98½	98
Mex. L. & Pr.	5	1940	...	†1.25	...	...	1.25	...
Mont. L.H.&P. debs.	3	1939	...	...	...	...	*73½	70½
Mont. Tr. 1st mtge.	5	1941	6.32	...	36	35½	40½	35
Mont. Tr. "A"	5	1955	7.45	...	71	70	93½	91
Mont. Tr. G. & R. "B"	5	1955	7.45	...	...	...	80½	70
Do., "C"	4½	1955	...	...	...	...	79½	78½
Do., "D"	5	1955	6.62	...	...	...	*85	84
N. S. Steel	5	1959	...	†44	...	...	81	78
Ont. Steel	6	1943	5.94	90	...	...	*62½	59
Porto R. Pr.	5	1936	...	...	...	...	100½	...
Steel of Can.	6	1940	5.84	100½	...	...	*93	88
Wayagamack	6	1951	...	†41	...	...	102½	100½
Winn. Elec.	5	1935	...	†85	...	...	*75	45
Toronto							*99½	98½
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Can.	6	1940	5.60	...	...	...	102½	...
Dominion Gov't. Bonds (Montreal)								
War Loan	5	1937	3.25	107.25	....	....	107.00	105.00
Victory Loan	5½	1933	4.85	100.70	....	....	101.25	100.25
Do.	5½	1934	5.32	100.20	100.25	100.20	100.85	99.25
Do.	5½	1937	4.36	105.25	....	....	108.15	104.00
Do., refund	4½	1940	5.55	92.40	....	....	94.60	91.50
Do., refund	5	1943	5.32	96.75	....	....	98.25	95.38
Do., refund	4½	1944	5.38	91.00	....	....	92.25	89.50
Do., refund	4½	1946	5.34	90.75	....	....	92.25	91.75
Do., renewal	5½	1932	3.02	100.60	....	....	100.60	100.25
Conversion Loan	4½	1956	5.25	88.00	....	....	91.25	88.25
Do.	4½	1957	5.39	88.00	....	....	90.50	88.00
Do.	4½	1958	5.28	89.00	....	....	92.75	88.50
Do.	4½	1959	5.24	89.25	89.25	....	92.25	89.00
Nat. Service Loan	5	1936	5.56	97.40	98.00	97.25	98.50	96.25
Do.	5	1941	5.49	96.35	96.25	....	98.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co. Limited
Canada Permanent Bldg., Toronto, Ontario
June 27, 1932

Provinces:	Rate	Actual Maturity	Next Int. Date	Approx. Price	Approx. Yield %
*Alberta	4½	1 Oct., 1958	1 Oct.	78.00	6.20
Alberta	5	1 July, 1943	1 Jan.	89.10	6.35
Alberta	6	1 Apr., 1936	1 Oct.	96.00	7.15
*British Columbia	4½	1 Oct., 1953	1 Oct.	82.00	6.00
*British Columbia	5	15 Jan., 1948	15 July	89.80	6.00
British Columbia	6	15 Aug., 1941	15 Aug.	96.00	6.62
Manitoba	4	1 July, 1947	1 Jan.	75.80	6.50
*Manitoba	5	2 Dec., 1959	2 Dec.	85.00	6.15
Manitoba	5	15 June, 1943	15 Dec.	88.00	6.50
*New Brunswick	4	1 June, 1948	1 Dec.	84.65	5.50
*New Brunswick	4½	15 June, 1936	15 Dec.	97.05	5.50
New Brunswick	6	1 Jan., 1936	1 Jan.	100.50	5.85
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	88.25	5.60
Nova Scotia	5	1 May, 1943	1 Nov.	93.95	5.73
*Ontario	4½	1 Sep., 1944	1 Sept.	93.00	5.25
Ontario	5	15 Oct., 1948	15 Oct.	94.00	5.55
Ontario	6	2 May, 1936	2 Nov.	100.50	5.85
P. E. I.	4	1 Apr., 1939	1 Oct.	88.70	6.00
P. E. I.	4½	1 Oct., 1944	1 Oct.	86.95	6.00
*Quebec	4½	1 May, 1961	1 Nov.	94.00	4.62
Saskatchewan	4½	1 Oct., 1944	1 Oct.	80.50	6.85
Saskatchewan	5	1 Oct., 1950	1 Oct.	84.00	6.50
Saskatchewan	6	1 Feb., 1936	1 Aug.	95.00	7.45
Cities					
*Montreal	5	1 Sep., 1963	1 Sept.	91.27	5.60
*Toronto	4½	1 Jan., 1955	1 Dec.	85.85	5.60
*Vancouver	5	15 Jan., 1970	15 July	81.00	6.30
Winnipeg	5	1 Mar., 1944	1 Sept.	85.75	6.75
*Edmonton	5½	1 Apr., 1947	1 Oct.	85.40	7.10
Calgary	5	1 Jan., 1943	1 Jan.	84.15	7.10
Halifax	6	1 July, 1951	1 Jan.	100.00	6.00
Saint John	5	15 Dec., 1950	15 Dec.	88.75	6.00
Regina	4½	1 July, 1950	1 Jan.	72.25	7.25
Victoria	5	21 July, 1945	21 July	86.65	6.50
Quebec	5	1 June, 1948	1 Dec.	92.20	5.75

*New York payment.

Stocks With Minimum Prices

Ogilvie Milling c.	185	Price Bros.	25
Ottawa L. H. & Pr. c.	100	Do., pref.	70

NEW EQUIPMENT BY IMPERIAL OIL AT ITS IOCO PLANT

President States B. C. Operations Will Involve $1,000,000 Wage Bill

From Our Own Correspondent

VANCOUVER — Expansion of Imperial Oil Ltd., in British Columbia will result in the expenditure of $1,000,000 in salaries and wages this year, according to President C. O. Stillman, who has been visiting the coast.

Mr. Stillman announced that plans have been ratified involving new equipment and processes for the production of a newly developed grade of gasoline. Use of lead in a non-premium gasoline is being pioneered by Imperial Oil Ltd., he said.

Most of the new equipment will be installed at the company's $9,000,000 refinery and plant at Ioco, Burrard Inlet, near here.

Pay $1,000,000 in Wages

"We are confident that under the proposed plans our operations in British Columbia will involve a wage and salary bill of $1,000,000," said Mr. Stillman. "Plans are justified by coast conditions and promise of better business in Canada on account of crop prospects.

"Prairie conditions have never been so promising as they are today, so far as crops are concerned," added Mr. Stillman. "I believe that low prices will be offset by heavy yields and farmers will benefit by the low cost of putting in the crop. As a large proportion of the crop will move through Vancouver to export markets, it is reasonable to expect an improvement in conditions here."

Newfoundland Railway Expects Increased Traffic

Increased activity at the Buchans Mine, which is now shipping 1,000 tons of lead-zinc concentrates per day, and expected extra traffic from the pulp mill at Grand Falls and the International Power & Paper Co.'s Corner Brook mill, makes prospects for the Newfoundland Railway brighter for the coming twelve months.

H. J. Russell, general manager of the railway, recently returned from a tour of the road during which his chief business was securing increased traffic. Mr. Russell said that the shipping from the Buchans Mine is almost 50 per cent greater than at any previous time and while the company have their own railroad the Newfoundland Railway gets a good share of the traffic.

Room for Dairy Industry

The dairy industry of New Brunswick is capable of being largely increased and developed, the demand at present being considerably in excess of the production. Every year sees large importations from Ontario and the Western provinces of both butter and cheese.

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ANTS in your lawn—in your garden—in the house. Over night they ruin years of careful work. Kill the pesky creatures this easy way. Merely mix Ever Green in water and pour down the ant hill. The next day the ants are dead. Ever Green kills both ants and plant insects. Yet it is non-poisonous to humans and pets. Does not ever burn tender foliage or harm grass. Economical. 35c bottle makes up to SIX GALLONS of mixture. Order at drug, seed, department, hardware or florist. Mail coupon for FREE booklet "How to Kill Ants and Plant Insects."

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World Pulp and Paper Trade Outlook Indefinite

No Signs of Early Improvement Seen in Survey Prepared by U. S. Department of Commerce

Unremunerative prices and lack of demand are the principal phases of the current situation in the world's pulp and paper industry, according to B. M. Frost, paper division of the United States Department of Commerce. In a lengthy yet concise review of conditions, Mr. Frost outlines the particular problems of the industry in each of the major producing countries. His comments are valuable at this time when the Canadian industry is faced with problems which are not peculiar to the Dominion only but to the world at large. The failure of Canadians to realize this important point is one of the reasons why relatively little progress has been made in putting the industry back on its feet. The difficulties met with in maintaining prices through trade associations or other artificial means are fully covered by Mr. Frost, who says that by the end of 1931 paper prices generally had fallen to a level lower than at any time in the past 10 years and some further price concessions have been made since the first of the year.

The report prepared by Mr. Frost follows:

The paper industry, in common with others, during the past three years has had to face the problem of adjusting itself to a world of shrinking markets, declining prices, and strained credits. Though these conditions did not manifest themselves as early in this as in other manufacturing lines, the rapid rise in consumption which marked the early post war years and which had encouraged manufacturers in a programme of rapid expansion and mechanization of plant, came to an abrupt close.

Many Difficulties Encountered

The volume of paper consumption was not immediately affected, but advance orders were smaller and less numerous, and a hand-to-mouth buying policy set in during the latter part of 1929 and has continued up to now. This situation quickly resulted in an unusually heavy accumulation of stocks, which manufacturers made some effort to control by curtailing production. Their troubles were aggravated, however, by the fact that new machinery was constantly being installed and new production thrown upon the market. In this dilemma it was, perhaps, inevitable that price cutting should be resorted to, especially by mills not restrained by domestic associations or international agreements. These organizations attempted to check the downward trend in prices, but were forced to yield frequently to the increasing pressure. The situation was further complicated last autumn by the suspension of the gold standard in the United Kingdom, quickly followed by similar action in the Scandinavian countries, and later by a number of others. By the end of 1931 paper prices generally had fallen to a level lower than at any time during the past 10 years, and some further price concessions have been made since the first of the year.

Capacity Exceeds Demand

The present ills from which the industry is suffering are traceable to the failure of the anticipated increase in paper consumption, rather than to any sudden or drastic curtailment in the world's paper consumption, although there has been, of course, some reduction therein. All of the leading paper-producing countries during the past decade have not only added to their plant and equipment—and incidentally their capital investment—but the mills in these countries have been engaged in a programme of "rationalization," embracing the introduction of scientific management and mass production. Between 1913 and 1927 the world's population was estimated to have increased only 10 per cent, while the following table, which shows the production of paper (inclusive of boards) in the leading manufacturing countries during the years 1913, 1920 and 1930 indicates an increase in paper production during that period of at least 100 per cent.

PRODUCTION OF PAPER AND BOARDS IN LEADING PRODUCING COUNTRIES
(short tons)

	1913	1920	1929
United States	5,270,000	6,278,500	11,140,200
Canada	318,900	1,215,100	3,197,100
Austria and Czechslovakia*	285,400	330,200	614,700
Finland	549,700	202,900	679,800
France†	462,000	500,000	925,900
Germany	2,162,700	1,484,800	2,799,300
Norway	241,600	273,700	447,100
Russia	424,000	40,800	506,600
Sweden	367,100	441,000	793,500
United Kingdom†	1,167,500	1,357,000	1,598,600
Japan	147,900	369,700	709,100
Total	11,396,800	12,493,700	23,411,900

*1913 figures include output of a few mills in Hungary and territory now part of Kingdom of Jugoslavia.
†Estimates.

Disruption of Market

Meanwhile, the growth in the import trade has been arrested, owing to the ambition of a number of countries to become self-sufficient in their paper requirements. Over the past two years the even flow of paper shipments to a number of the South American and far eastern markets has been further interrupted by political disturbances in those regions, as well as by the critical business situation following the decline in raw material prices. Obviously, it is impossible at this time to present actual figures, or even reliable estimates, covering the world's paper production or consumption during 1931. That consumption of paper was somewhat less in that year than in either of the two preceding years seems evident, in view of the restricted business activities and the necessity for effecting economies in practically all countries. That consumption was greatly under productive capacity is evidenced by reports of partial or complete closing down of mills in all of the large producing countries, and the increasing percentage of unemployment in the industry registered in countries recording such data. Mills turning out newsprint, wrapping papers, and boards appear to have suffered most, although manufacturers of writing and other fine papers complain of unremunerative prices and the difficulty of obtaining orders.

Radical Change Lacking

The following table, showing exports of paper and boards from the leading exporting countries, does not indicate that there was a radical decline in paper consumption during the past two years, especially when it is borne in mind that a number of the large importing countries, including the United Kingdom, France, and Soviet Russia, have added to their productive capacity and are supplying the demands of their home markets to an ever-increasing extent. A comparison of values for the years mentioned, however, shows a much greater percentage of decrease, indicative of the general lowering in prices and the proportionately greater demand for the cheaper grades of paper during the past two years.

EXPORTS OF PAPER AND BOARDS BY LEADING EXPORTING COUNTRIES
(short tons)

	1929	1930	1931
United States*	262,700	242,200	234,200
Canada†	2,515,500	2,331,000	2,008,200
Finland	326,400	337,900	357,000
Germany	527,600	470,900	514,500
Norway	364,300	341,700	330,700
Sweden	548,300	481,100	527,700
United Kingdom	282,600	238,400	181,400
Japan‡	92,900	112,500	93,500
Total	4,920,300	4,555,700	4,247,200

*Exclusive of wall and insulating boards, wall papers, and unspecified papers for which tonnage is not shown; amount given represents about 75 per cent of total value of paper exports.
†Newsprint only; represents upward of 95 per cent of value of total shipments of paper and board.
‡Does not include some classes for which quantity figures are not shown.

Wood-Pulp Market Conditions

Conditions in the international wood pulp market closely parallel those in the paper market. Thus, mill capacity in all of the great producing countries is greatly in excess of present market requirements, and plants in all countries have been closed down, or are running on a part time basis, while current market prices do not allow a moderate profit. Between the years 1920 and 1929, the aggregate capacity of the chemical pulp mills doubled, and that of the mechanical ground wood mills more than doubled. Even during the latter year, when paper production reached its peak, the Mechanical Wood Pulp Union, which comprised ground wood producers in Norway, Sweden, and Finland, found it advisable to curtail production by 33 1/3 per cent in an effort to stabilize the market. This restriction was later increased to 38 per cent and to 50 per cent of mill capacity. Attention in all of these countries during recent years has centred largely on the production of unbleached sulphate (kraft) pulp, which is being substituted for unbleached sulphite in the manufacture of wrapping papers; and of bleached sulphite, which finds an outlet in the rayon industry and in the manufacture of fine papers.

The table reflects clearly the by classes in these countries during the years 1913, 1920, and 1929. Chemical pulp mills during the last year mentioned operated close to capacity, but in the Scandinavian countries and Finland the restriction in ground wood production noted above was in force.

The table reflects clearly the trend in the paper industry toward the production of higher-grade papers, and also the growing importance of Canada in the world's pulp and paper trade. Chemical pulp, which is employed in the manufacture of the more expensive papers, represented only 48.2 per cent of the total wood pulp output in 1913; by 1920, chemical pulp represented 53.8 per cent of the total output; and by 1929 the proportion had risen to 56.5 per cent. Canada, which was outdistanced in 1913 by the United States and Germany as a producer of mechanical pulp, and by the United States, Germany, Sweden, Norway, and Austria-Hungary as a producer of chemical pulp, during this period has risen to first and third place, respectively.

The principal destinations of wood pulp have been as follows:

EXPORTS OF WOOD PULP BY LEADING EXPORTING COUNTRIES
(short tons)

	1929	1930	1931
Sulphite Pulp:			
Canada	450,800	436,500	386,400
Finland	405,600	394,800	467,600
Germany	292,600	283,800	308,100
Norway	255,100	229,400	137,800
Sweden	1,008,300	1,006,300	859,100
Total	2,412,400	2,350,800	2,159,000
Sulphate Pulp:			
Canada	134,300	86,100	55,100
Finland	128,100	129,600	226,200
Norway	28,500	37,600	16,000
Sweden	509,200	508,200	564,100
Total	800,100	761,500	861,400
Mechanical Pulp:			
Canada	209,300	208,800	165,000
Finland	177,400	173,500	173,500
Norway	661,500	673,300	570,900
Sweden	369,100	290,800	249,800
Total	1,417,300	1,346,400	1,159,200

Price Declines Serious

The weakness of the market has been accompanied by a more or less downward trend in prices. Canadian newsprint mills have announced successive decreases in the price of their product since 1929. As the situation in the international newsprint market is dependent upon the North American market, which absorbs about one-half of the world's newsprint production, European manufacturers — and particularly those in the Scandinavian countries and Finland—have found it necessary to make corresponding concessions in price. The downward trend in prices has also been true of the wood-pulp market.

Lack of Success

An attempt to stem the downward trend in prices was made by the various cartels in the pulp and paper industries. Their efforts were hampered, however, by the fact that often important producers of a large section of the industry are not members and are not bound by agreements concerning restrictions in output or prices. The domestic organizations have been more successful in achieving their aims, inasmuch as they have usually been able, through pressing for the enactment of tariff duties and other favorable legislation, to maintain prices in the domestic market and to assure it to the local industry. The problems confronting the international cartels have been less easy of solution. Obviously, it is much more difficult to control production and prices in the international than in the domestic market, while the divergent interests of the various nationals making up the membership are a constant threat to the existence of the organization.

The history of the Northern Mechanical Groundwood Union, is illustrative of the difficulties confronting the international cartel. This organization was formed in 1928 by leading mechanical ground wood producers in Finland, Norway, and Sweden, with a view to voluntarily restricting production and thus maintaining prices. It was only moderately successful in carrying out this programme, owing to the fact that important producers in Norway and Sweden consistently refused to join the organization, and it was dissolved last April.

The suspension of the gold standard in a number of countries last autumn has also intensified the conflict in interests already mentioned. Countries adhering to the gold standard have found it difficult to compete in foreign markets, and often in their own market, with countries which have not maintained this standard. Thus, the depreciated currencies of the Scandinavian countries and Finland is rendering extremely problematical the future of the Sulphite Pulp Suppliers, which also numbers among its membership mills in Germany, Austria, Czechoslovakia, and the Baltic succession States. German sulphite producers particularly are complaining of the difficulty of meeting Scandinavian competition, not only in foreign markets, but at home.

No Early Improvement

There has been little in the international situation since the first of the year to warrant any expectation of an early improvement in the world's pulp and paper markets. Any increase in the consumption of paper—and particularly newsprint, wrapping papers, and boards—is dependent upon a general revival in industry and trade. While surplus pulp and paper stocks on hand at the end of 1930 have been reduced, and production in all of the important manufacturing countries continues greatly under capacity, producers have been unable to maintain prices in the face of the extreme reluctance of purchasers to commit themselves for more than immediate requirements. Exporters are further handicapped by the currency situation and by the increases in tariff duties, quota limitations, and other import restrictions resorted to by the various countries in an effort to protect their domestic industries, maintain currency values, or, in some instances, to add to governmental revenues.

The Scandinavian countries have been able to maintain and even increase their pulp and paper exports during the first quarter of the current year, but only at a sacrifice in prices. Wood pulp exports from Canada during this period, on the other hand, have declined 20 per cent in quantity and 25 per cent in value. Those of newsprint have been maintained in better volume, but even here a decrease of 2½ per cent in quantity is accompanied by a decrease of 15 per cent in value. Exports from the United Kingdom during this period, perhaps, make the best showing, an increase of 6 per cent in volume being accompanied by a decrease of less than 1 per cent in value.

PRODUCTION OF WOOD PULP IN LEADING PRODUCING COUNTRIES
(short tons)

	1913	1920	1929
Sulphite Pulp:			
United States*	1,151,300	1,585,800	1,729,900
Canada	183,600	654,300	1,236,200
Austria-Czechoslovakia†	214,100	141,100	520,600
Finland	88,100	121,200	518,400
Germany‡	925,300	437,400	1,211,600
Norway	280,000	284,700	418,900
Sweden	446,400	845,900	1,358,400
Japan§	......	147,000	404,600
Total	3,288,800	4,217,400	7,398,600
Sulphate Pulp:			
United States*	52,700	188,700	922,700
Canada	70,900	194,300	250,100
Finland	71,800	57,800	156,400
Germany	*	21,500	51,300
Norway	55,300	50,000	78,300
Sweden	171,300	225,500	716,400
Japan	......	......	29,300
Total	422,000	737,800	2,204,500
Mechanical Pulp:			
United States*	1,293,700	1,583,900	1,649,000
Canada	600,200	1,090,000	2,420,800
Austria-Czechoslovakia†	125,500	98,600	415,200
Finland	170,400	167,100	382,000
Germany	743,000	470,700	932,500
Norway	401,300	342,400	563,200
Sweden	359,500	358,000	725,600
Japan*	85,800	133,000	290,400
Total	3,779,400	4,243,700	7,378,700

*Figures given for 1914, as those for year 1913 are not recorded by Bureau of the Census.
†Year 1913 includes output of mills in Hungary and territory now part of the Kingdom of Jugoslavia.
‡No distinction made between sulphate and sulphite pulp in 1913 figures; doubtful if any of the former was produced.
§No distinction is made between chemical and mechanical pulp in 1913; total included under "mechanical."
*See foot note§.
*Includes both mechanical and chemical pulp for year 1913.

Mining Stock Quotations

Week Ending June 27

Par Val.	Range 1932 High	Low	Company	Sales	Close June 20 (or last)	High for week	Low for week	Close June 27
1	.05½	.04	Abana		.04			
1	.02	.00½	Aconda		.00½			
No	.15	.15	Aldermac		.15			
1	.09	.00¾	Alexandria	20,500	.01½	.01¾	.01½	.01¾
1	.01½	.00¼	Algonquin		.00¾			
1	.01	.00¾	Amity C.		.00¾			
No	.22	.06	Amulet	5,803	.07	.08	.07	.08
1	.00½	.00½	Apex		.00½			
1	.02¾	.01	Area	3,000	.01	.01½	.01½	.01½
No	.08	.00¾	Arno	112,700	.01¼	.01¾	.01¾	.01¾
1	.02¾	.02	Astoria Rouyn		.02¾			
1	.07	.03	Bagamac	2,500	.04½	.05	.04	.04½
1	.00½	.00½	Baldwin		.00¾			
1	.12	.03½	Barry Hollinger	2,600	.03½	.04½	.04½	.04½
No	1.00	.30	Base Metals		.30			
No	.12	.01	Bidgood	21,200	.02¾	.03	.02¾	.02¾
1	.16½	.04	Big Missouri	3,500	.06	.06½	.06½	.06½
1	.05½	.02	Bobjo	6,500	.03½	.03¾	.03½	.03¾
1	.08	.02½	Brett Trethewey	4,000	.06½	.07	.07	.07
No	.03	.00¾	Brownlee	10,000	.00¾	.01½	.00¾	.01½
1	.00½	.00¾	Buckingham		.00¾			
No	.36	.02	Buffalo Can.	1,000	.02	.02	.02	.02
No	.02½	.01	Bunker Hill	10,500	.01½	.01½	.01½	.01½
5s	.50	.10	B'Wana McKubwa		.10			
No	.01	.00½	Cal. Flin Flon		.01			
No	.03	.02	Canam Metals		.02			
1	.04	.01½	Can. Kirkland		.02¼			
1	.09	.00¾	Canusa	21,000	.01½	.02¾	.01½	.02¾
No	.02½	.00½	Capital Rouyn		.00½			
1	.07	.02½	Cartier Malartic	1,500	.06	.04½	.03½	.03½
1	.15	.09	Castle Trethewey	12,000	.12	.11½	.11	.11½
1	.08	.04	Cen. Manitoba	5,000	.05	.05	.04	.05
1	.07½	.02	Cen. Patricia	3,000	.02½	.04	.03	.04
No	.07½	.01¾	Chibougamau Pros.	500	.02½	.02½	.02½	.02½
No	.02	.00¾	Clericy		.01			
5	3.00	.45	Coast Copper	240	.45	.60	.50	.60
1	.02	.00¾	Cobalt Contact	1,000	.00¾	.00¾	.00¾	.00¾
No	.16	.15	Cobuc		.15½			
1	.08	.03	Columario	3,100	.03½	.04½	.03½	.04½
5	.80	.70	Coniagas	2,000	.80	.70	.70	.70
No	.40	.28	Coniaurum		.32			
25	75.00	25.00	Cons. Smelters	2,129	32.50	32.25	26.00	29.00
No	12.50	9.00	Dome Mines	1,645	10.75	11.05	10.75	11.00
No	.10	.02	Dom. Explorers	7,000	.03¾	.04½	.03¾	.03¾
1	.01	.00¾	Don Rouyn		.00¾			
1	1.55	.76	Eldorado	22,400	1.14	1.20	1.96	1.13
No	1.05	.47	Falconbridge	280	.80	.75	.50	.75
1	.04	.00¾	Federal		.00¾			
No	.00½	.00½	Flintoba		.00½			
No	.07	.00¾	Gem. Lake	6,000	.01½	.01	.01	.01
1	.02½	.00¾	Goldale		.01½			
10	.11	.05½	Goldfield		.07			
1	.00½	.00¾	Gold Hill		.00¾			
1	.04	.02½	Goodfish	10,500	.03	.03	.03	.03
1	.01	.00¾	Graham		.01			
1	1.25	.50	Granada	1,500	.60	.65	.60	.65
1	.22	.09	Grozelle		.09			
1	.02¾	.01	Harker		.01½			
1	.01¾	.00¾	Hilltop	13,000	.00¾	.00¾	.00¾	.00¾
5	5.70	4.25	Hollinger	4,150	4.60	4.95	4.60	4.80
1	.41½	.26	Howey Gold	31,050	.35	.41½	.35	.40
No	2.78	.92	Hudson Bay	2,100	1.70	1.80	1.71	1.75
No	.20	.15	Huronian		.15			
No	11.00	4.00	Int. Nickel	6,050	5.00	5.12	4.50	4.75
1	.01¾	.00½	Jackson Manion	2,500	.00¾	.00½	.00½	.00½
1	.23	.15	Keeley	1,800	.20	.20	.20	.20
1	.02¾	.00½	Keora Mines	500	.01	.00½	.00½	.00½
1	.70	.40	Kirk. Hud. Bay	2,600	.45	.50	.43	.50
1	.02½	.00½	Kirk. Hunton	13,000	.01	.00½	.00½	.00½
1	.55	.10	Kirkland Lake	37,350	.24	.33	.26	.32
1	.03½	.00¾	Kirkland Premier	3,000	.00¾	.01	.01	.01
1	.13	.05	Kirk. Townsite	2,000	.08	.07½	.07	.07
20c	.01¾	.00½	Koot. Florence		.00½			
1	.01	.00½	La Rose		.01½			
1	.41	.14	Lakeland		.15			
1	29.50	24.90	Lake Shore	1,831	26.00	27.00	26.00	26.50
1	.00½	.00½	Laval		.00½			
1	.06¾	.01¾	Lebel Oro		.03			
1	.41	.13	Macassa	9,100	.21	.26	.22	.24
1	.07	.02½	Malartic	13,500	.03	.06	.03	.06
1	.01	.00¾	Malrobic	82,500	.01	.01½	.00¾	.01½
No	.06	.02	Mandy		.02½			
No	.01½	.00½	Manitoba Basin		.00½			
5	19.50	14.70	McIntyre	3,885	16.50	17.95	16.50	17.10
1	.35	.25	McKinley		.30			
No	.09½	.02½	McLeod River	75,200	.03	.03½	.02½	.02¾
No	1.43	.58	Mining Corp.	1,325	.86	.95	.85	.90
1	.08½	.01¼	Moffatt Hall	9,500	.01½	.01½	.01¼	.01½
1	.02¾	.02¾	Moneta		.02¾			
1	.45	.19½	Moss	3,300	.31½	.30	.25½	.25½
1	.02½	.00¾	Murphy	500	.01	.00¾	.00¾	.00¾
No	.03	.01	Newbec	400	.01	.01¾	.01¾	.01¾
5	1.15	.50	Nipissing	300	.55	.68	.65	.65
No	19.80	12.50	Noranda	5,290	13.30	14.15	13.10	13.50
No	.24	.10	Nor. Canada	3,500	.10	.15	.12	.15
No	.01	.00½	Old Colony		.00½			
1	.08	.05	Osisko		.05			
1	.10	.07	Parkhill		.07½			
1	.13¾	.11	Patricia Dent		.13			
1	.02	.01	Pawnee Kirk		.01			
No	1.15	.35	Pend Oreille	525	.50	.50	.50	.50
1	.01½	.00½	Peterson Cobalt		.00½			
1	4.10	3.00	Pioneer Gold B.C.	2,800	3.50	3.50	3.30	3.30
1	.00¾	.00½	Porcupine Crown		.00¾			
1	.02	.00¾	Potter Doal		.00¾			
1	.62	.32	Premier Gold	7,200	.43	.50	.42	.42
1	.00¾	.00½	Preston E. Dome	1,000	.00¾	.00½	.00½	.00½
No	.30	.15	Prospectors Air's.		.21			
No	1.00	1.00	Quebec Pros.		1.00			
No	.06	.03	Quemont		.05			
1	.02½	.00½	Ribago	500	.00½	.00¾	.00¾	.00¾
1	.02½	.01	Ritchie	7,000	.01½	.01¾	.01¾	.01¾
1	.01½	.00½	Robb Montbray	1,000	.01	.00¾	.00¾	.00¾
1	.42	.35	San Antonio	2,082	.35	.40	.39	.40
1	.09	.07½	Seven Troughs		.07½			
1	.65	.18	Sherritt Gordon	10,300	.25½	.28	.23	.28
1	.70	.50	Siscoe	51,780	.67	.70	.66	.67½
1	.08	.00½	South Keora		.00½			
No	.02¼	.00¾	Stadacona	31,500	.01	.01	.01	.01
1	.17	.06	St. Anthony	2,000	.07	.06	.06	.06
No	.45	.16	Sudbury Basin	630	.25	.25	.25	.25
1	.01¼	.00½	Sudbury Contact		.00½			
1	.01	.00¾	Sudbury Mines		.00½			
1	.12	.07	Sullivan	4,400	.08	.10	.08	.10
1	.65	.39	Sylvanite	15,550	.50	.54	.49	.53

Par Val.	Range 1932 High	Low	Company	Sales	Close June 20 (or last)	High for week	Low for week	Close June 27
1	.07	.01	Tashota		.01			
1	5.25	3.10	Teck Hughes	21,810	3.33	3.75	3.33	3.70
1	.03½	.02	Thom Cadillac		.03			
1	.40	.10	Towagmac	1,000	.11	.15	.15	.15
1	3.00	1.01	Treadwell		1.25			
1	.09½	.02	United Kirkland	1,000	.02	.05	.05	.05
1	.01½	.00¼	Vacuum Gas		.00½			
No	.53	.16	Ventures	11,100	.27	.27½	.26	.27
1	.17½	.04	Vickers		.06			
1	.45	.20	Vipond	3,916	.20	.27	.20½	.26½
No	1.00	.25	Waite Ackerman		.30			
1	.07	.01	White Lake		.01½			
1	.01	.01	Wiltsey Coughlan		.01			
	.09½	.04¼	Wood Kirk	3,250		.09½	.04¼	.04¼
No	3.06	2.00	Wright-Hargreaves	33,815	2.35	2.65	2.35	2.50

OIL STOCKS

Par Val.	Range 1932 High	Low	Company	Sales	Close June 20 (or last)	High for week	Low for week	Close June 27
No	.19	.07½	Acme Gas & Oil	3,000	.09½	.10	.09½	.10
1	1.17	.60	Ajax		.70			
1	.12	.04½	Alta. Pacific		.05			
1	.03½	.02	Askalta		.03½			
No	.10	.03	Associated		.05			
No	.04	.01	Baltac		.02			
	.05½	.00½	Benton		.00½			
1	.06	.02½	Brit. Dominion		.03½			
No	.38	.14	Calgary & Ed.		.15			
1	.09	.04	Calmont	300	.04	.04	.04	.04
1	.11	.03	Comm. Pete		.05			
No	.20	.05½	Dalhousie	4,100	.08	.08½	.05½	.06
No	.01	.01	Devenish		.01			
No	.02	.00½	Dome Oil		.00½			
No	.12½	.04	East Crest		.06			
No	.01½	.01½	Fabyan Pete		.01½			
No	.10	.06	Foothills	1,500	.06	.06	.06	.06
No	.03½	.02	Freehold		.02			
1	.02	.00½	Great West		.00½			
No	.06½	.03	Hargal		.03			
No	.05	.02	High Sarcee		.02			
No	.47	.15	Home	1,310	.17	.20	.15	.20
No	.05	.01½	Homestead		.01½			
1	.50	.09	Homestead O. & G.	4,000	.13	.20	.14	.14
1	.01	.00½	Illinois Alberta		.00½			
No	.02½	.00¾	Lethbridge		.00¾			
No	.04	.04	Lowery	4,000		.04	.04	.04
No	.02	.00½	Madison		.00½			
1	.15	.05½	Mayland		.05½			
No.	.04	.01½	McD. Segur Ex.		.01½			
1	.04½	.01	McD. Segur N.		.01			
1	.50	.18	McLeod		.18			
No	.10½	.06½	Mercury		.07½			
No	.08	.04½	Merland	400	.06	.06	.06	.06
No	.15	.08½	Mill City Pete		.08½			
1	.20	.12½	Model		.13			
1	.05	.04	Monalta		.05			
1	.07	.03	Moose Mountain		.03			
1	.01	.01	New Federal		.01			
5	.14	.01	Nordon	7,200	.03½	.04	.03¾	.04
No	.04½	.02	Oil Selection	2,000	.02½	.03	.02¾	.02¾
No	.05	.02½	Okalta		.03			
100	15.00	15.00	Do., Pref.		15.00			
No	.20	.09	Olga Gas & Oil	32,050	.17½	.18½	.15	.15
No	.06½	.02	Penn. Pete.	81,800	.03½	.03¾	.03	.03¾
No	20.00	20.00	Perfection Pete pfd.		20.00			
1	.28	.12	Petrol Oil & Gas	500	.15	.12	.12	.12
No	.14	.08	Ranchmen's		.09			
1	.01	.00½	Regent		.01			
No	.02½	.01	Richfield		.01			
No	6.65	3.95	Royalite	35	4.25	4.00	4.00	4.00
1	.12	.05	Sarnia Oil	1,500	.11	.08½	.07½	.08
1	.03	.01	Signal Hill		.01			
1	.20	.10	Spooner		.10			
No	.11	.05½	Sterling Pacific		.05½			
1	.11	.07½	Turner Valley		.07½			
No	.08	.03	United		.03			
1	.09½	.03	Vulcan		.03			
No	.02	.00½	Wainwell	2,000	.00½	.00½	.00½	.00½

VANCOUVER STOCK EXCHANGE
(Transaction for Week to June 22)

Par Val.	Range 1932 High	Low	Company	Sales	Close June 20 (or last)	High for week	Low for week	Close June 27
25c	.00½	.00½	Bayview		.00½			
20c	.05	.03½	Beaver Silver	6,500	.03½	.03½	.03½	.03½
25c	.02½	.01	Bluebird		.02			
1	.12	.04½	Bridge River Cons.	18,345	.05½	.05½	.05½	.05
25c	.01½	.01½	Cork Province		.01½			
1	.13	.02	Cotton Belt	2,500	.02	.02	.02	.02
	.01½	.01½	Dalhousie Mines		.01½			
1	.45	.15	George Copper		.20			
50c	.02	.01½	Geo. Enterprise		.02			
1	.04½	.02	Georgia River	34,400	.02½	.02½	.02	.02½
1	.24	.10	Golconda	1,000	.12	.12	.12	.12
50c	.08	.02	Grandview	21,000	.02½	.02½	.02	.02½
25c	5.25	5.25	Hecla Mining		5.25			
1	.01	.01	Independence		.01			
1	.01½	.01	Indian Mines		.01½			
1	.12	.09	Inter. Coal		.12			
1	.21	.21	Jack Waite		.21			
25c	.00½	.00½	Kootenay King		.00½			
1	.19½	.09	Lorne Gold	16,525	.09½	.10½	.09	.09
10c	.02	.01	Lucky Jim		.01			
5c	.12	.05½	Metaline Metals		.05½			
1	.03	.00½	Morton Woolsey		.00½			
50c	.03	.00½	National Silver	10,000	.01½	.01¾	.01¾	.01¾
50c	.08½	.02	Noble Five	15,000	.02	.02½	.02	.02½
50c	.01	.00½	Oregon Copper		.00½			
1	4.11	3.00	Pioneer Gold	775	3.60	3.70	3.50	3.50
50c	.08½	.04	Porter Idaho	5,500	.04	.04	.04	.04
No	.01	.00½	Premier Border		.00½			
No	.28	.08	Reeves McDonald		.08			
1	.52	.21½	Reno Gold	13,400	.46	.46	.39	.39
1	.05	.02½	Ruth Hope	1,300	.02½	.03	.03	.03
1	.03½	.02½	Silverado		.03½			
25c	.02	.01	Silver Crest		.01			
50c	.01½	.00½	Snowflake		.00½			
20c	.02½	.01	Wellington	5,000	.01	.01	.01	.01
1	.04	.01	Whitewater		.00½			
No	.00½	.00¾	Woodbine		.00 1/16			

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Ajax Oil	3c.	....	Petrol Oil	1c.	....
Dome Mines	$1+20c.	10.90	Premier	12c.	....
Hollinger	65c.	13.54	Pioneer, B.C.	12c.	3.63
Howe Sound	$1	....	Royalite	50c.	....
Lake Shore	$2+50c.	9.43	Siscoe	4c.	....
McIntyre	$1	5.84	Sylvanite	4+½c.	....
McLeod Oils	5c.	....	Teck Hughes	60c.	16.21
Noranda	50c.	3.70	Wright-Har.	10+2½c.	5.00

OTTAWA VALLEY POWER CONTROL CHANGES HANDS

Calgary Power Acquires Securities of Utility Company

From Our Own Correspondent

MONTREAL.—Control of Ottawa Valley Power Co., formed in 1930 to develop a hydro site at Chats Falls on the Ottawa River in conjunction with the Hydro-Electric Commission of Ontario, has been acquired by Calgary Power Co. The western utility obtained control through acquisition of securities; details of the transaction have not been made public.

Ottawa Valley Power has outstanding $9,000,000 of 5½ per cent first mortgage bonds; $3,000,000 of 6 per cent debentures and 50,000 shares of common stock. In April 1932 the company obtained permission to increase its authorized capital to 100,000 shares of common. Public investment interest is confined to the bonds; the other securities were disposed of privately.

Seven Units Installed

Good progress has been made with construction since the company's inception. Initial deliveries of 48,000 horsepower were instituted in October, 1931; today the joint development comprises 7 units with installation of the eighth and last unit expected in August. Total development will have a rated capacity of 224,000 horsepower.

Under its contract with the Ontario Hydro, Ottawa Valley must supply a total of 96,000 horsepower by October 1 this year; indications are that the company will have its units installed well in advance of that date. All power generated has been contracted for by the Ontario Hydro subject to the company's right to withdraw power for sale in Quebec under a 40-year contract.

Subsidy for Lumber Exports Urged by Coast Exporters

Faced with tremendous difficulty in marketing common grades of lumber, following the increased United States tariffs, British Columbia lumbermen are urging a federal subsidy of $4 per thousand for two ships a month to Chinese markets. Premier Tolmie is reported to have decided to lead a number of the leading men in the industry to Ottawa to urge a federal subsidy.

Competition from the United States in eastern markets is stated to be too keen, as shipping companies in that country have been guaranteed about $4 a thousand feet for a period from 1931 to 1938 and British Columbia mills cannot compete against that.

Hon. N. S. Lougheed, Minister of Lands, speaking after the Cabinet had decided that Premier Tolmie should head the delegation to Ottawa, is reported to have said: "The Pacific Coast has been entirely neglected in regard to subsidies as compared with the Atlantic. On the Atlantic in recent years shipping has been subsidized to the extent of $2,000,000 a year."

Securities Act To Be Modified To Aid Mining

The Ontario Government may soon pass an order-in-council permitting prospectors to form syndicates having capitalizations up to $35,000.

Several weeks ago, at the suggestion of Col. George A. Drew, Commissioner of the Act, a committee was formed comprising outstanding mining men, to make drafts of changes in the act, so that it would not penalize prosperity.

The proposals submitted by the committee have had a sympathetic reception from Colonel Drew and a new order-in-council has been drafted, it is understood.

Other items are known to be under consideration and it is anticipated that the commissioner will be able to suggest changes in the act which will make it more acceptable to the mining fraternity. Through the joint efforts of the committee and the department the foundation is being laid for a workable act that will permit of the financing of prospectors in preliminary development, at the same time curbing the activities of unscrupulous promoters. The changes will appear in a bill at the next meeting of the Ontario Legislature, it is expected.

LOBLAW INSURANCE PLANS COMPLETED

Group Policy Amounts to Over $850,000 on 735 Lives

Final arrangements have just been completed whereby the employees of Loblaw Groceterias Co., Ltd., are covered under a group life insurance policy, preliminary announcement of which was made in the May 21 issue of The Financial Post.

The group policy covers the employees in the company's 104 stores as well as the staff in the head office, the total initial insurance amounting to over $850,000 on 735 lives. Mutual Life Assurance Co., Confederation Life Association and London Life Insurance Co. have jointly written the business, the administration of the group being handled by the first-named company.

Total and permanent disability is covered as well as death benefits. The amount of insurance available to individuals varies according to the employee's position, and ranges from $500 on new employees who are single to $4,000 on the buyers and heads of departments.

Pending complete and final arrangements the insurance was put into force for a temporary period on all employees. The benefit of this special arrangement was illustrated when, shortly after this effective date, one of the employees was accidentally killed before any general announcement had been made.

May Advertising Linage Continues Below Last Year

From Our Own Correspondent

MONTREAL. — Despite sporadic gains in volume, newspaper advertising linage in the United States for May, 1932, produced few optimistic predictions, according to a statement published in Editor and Publisher. The total volume, tabulated by Media Records Inc., showed a loss of 23.3 per cent from the figures for May, 1931. Retail advertising was 22.1 per cent below the same month last year. General Advertising fell behind 26.7 per cent. Automotive was off 30.3 per cent and financial continued to lag 47.5 per cent behind its May, 1931 level. Total display space was less by 24.6 per cent, classified by 17.4 per cent.

For the five months ending May 31, total advertising was 18.6 per cent below the figures for the same period in 1931. Retail was 17.5 per cent lower than in 1931. General 20.1 per cent, automotive, 17.6 per cent, financial 46.6 per cent, total display 19.3 per cent, and classified 5.5 per cent.

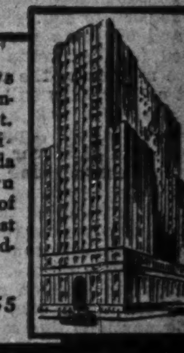
Municipal Bond News

FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds." It is, therefore, the logical medium for municipal bond sale advertising.

Daily and Weekly Editions.

THE BOND BUYER
Since 1891
"The Authority on Municipal Bonds"
67 Pearl Street New York, N.Y.

4%
COMPOUNDED HALF-YEARLY



Money grows rapidly at compound interest. Savings deposited with Canada Permanent earn the high rate of 4%, the interest being compounded half yearly.

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CANADA PERMANENT
Mortgage Corporation
320 Bay St., Toronto
Assets exceed $72,000,000

First Run of New Vessel on Montreal-St. John's Route

St. John's, Newfoundland, welcomed on June 17 the S. S. Belle Isle of the Newfoundland - Canada Steamships Co. on her first visit to that port. The S. S. Belle Isle was specially designed for the Montreal, St. Pierre and St. John's service and has 90,000 cubic feet of freight capacity and accommodation for 65 first class and 20 second class passengers.

The new vessel is an oil-burner and has been specially strengthened for navigation in ice. She is 245 feet long and 2,000 tons register.

Leaving Montreal every two weeks the S. S. Belle Isle touches at Quebec, Charlottetown, North Sydney and St. Pierre on her way to St. John's.

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153 University Ave.,
Toronto.
Please send me The Financial Post for the next year (52 issues), this to entitle me to obtain by letter, a personal reply from the Investment Editor to enquiries regarding any Canadian investments in which I may be interested by simply supplying a stamped return envelope. I enclose $5.00.
Name
Occupation
Address 31

Canadian Mining News

SEE DOME PROFITS CLOSE TO $550,000 IN LAST QUARTER

Heads and Recovery Higher While Costs Lower, Presages $2 Net

Some surprises are likely to be revealed when quarterly production and earnings figures of Dome Mines are available covering the three months ended June 30. Recovery will be approximately $1,140,000, with premium extra, from 134,350 tons of ore treated, or an average recovery of approximately $8.50 per ton as compared with a recovery of $956,955 in the first three months of the year when the average recovery was $7.17 per ton. At this rate Dome is headed for a 1932 production valued at about $4,000,000 plus premium or in excess of that in any of the past seven years.

Likewise, earnings are showing a substantial advance and The Financial Post estimates that the profit in the past three months was close to $550,000, or equivalent to between 55 and 60 cents per share. This, added to the profits for the first three months of the year, indicates that net earnings will be close to $2 per share for 1932 after all write-offs, but before depletion as compared with $1.56 per share in 1931. Factors contributing to increased profits are improved milling practice, the cutting of tailings loss to around 30 cents per ton, lower operating costs, and the treating of a higher grade of ore. In May the value of the bullion recovered was $411,201. This was explained as being partially due to encountering a high grade ore shoot in the 1,340 drift—about $50,000 having come from this section. This is not the only factor, however, as for some months past The Financial Post has reported the new higher grade ore developments below the 1,200-ft. level. The opening up of this ore for production is currently reflecting in higher mill heads, which in recent weeks have averaged over $9 per ton. Indications point to these higher millheads being maintained in the immediate future.

Adds $1,000,000 to Surplus

Dome's liquid position is likewise being added to in a substantial way. As at December 31 last, current assets were shown at $5,081,429, while an additional $1,000,000 has been added by the end of the half year period in spite of the disbursing of $476,667 in dividends. On July 30, Dome will receive its first dividend from its investment in the East Geduld Mines in South Africa. This initial dividend is one shilling per share and at the rate of progress the East Geduld is making it will come as no surprise to see Dome's $1,000,000 investment in this company give a yield in immediately succeeding years of from 15 to 20 per cent.

The success of this property is foreseen as speeding the development of the Grootvlei property adjoining, owned by the same interests, the Union Mines Corp. The Grootvlei property is an extension of the same reef being developed by the East Geduld and already plans are being laid for its development through the extension of the deep workings from the East Geduld, also by sinking a new shaft. While Dome has no interest in this property at present the fact that it is under the management of the Union Corp. lends hope to the belief that when it comes time to finance development, Dome will have an opportunity of sharing in this financing in a most advantageous manner.

Nickel Erects New Auxiliary At Frood Mine

International Nickel has just completed a new hoisting and ventilating system for the No. 4 shaft at the Frood mine.

This shaft equipment, while not quite so large as installed at the No. 3 shaft on this property, gives a complete auxiliary system in event of operations of the No. 3 shaft not being available. The equipment consists of a steel head frame, sorting plant and hoisthouse, all of fireproof construction. The installation of this plant emphasizes the fact that International Nickel is not curtailing its expenses in providing safe and adequate facilities for mine operations despite curtailed production. The completion of this plant marked the finish of a hoisting and ventilating system planned some five years ago when the mine was first re-opened. It permits operations being carried on with the greatest degree of efficiency and safety to a depth of 3,100 ft. or some 300 ft. deeper than the No. 3 shaft now used as a main production shaft.

Trail Smelter Receipts

The following tabulation gives the shippers of ore to the Trail, B. C., smelter of the Consolidated Mining & Smelting Co., with the weekly and total shipments to date as compared with last year.

Mine Area	1932 June 15 to 21	1932 to date	1931 to June 21
Bell, Beaverdell	46	887	874
Bosun, Silverton	..	23	..
Boulder City Group, Boulder Spur	..	35	..
J. A. Carter, Zwicky	..	..	9
Catharine Nelson	..	..	3
Clubine Comstock, Boulder Spur	..	24	..
Gold Drop, Greenwood	15	50	..
Goodenough, Ymir	52	52	..
Highland Lass, Beaverdell	..	398	48
Knobhill, Republic	..	478	549
Little Daisy, Silverton	..	..	2
Lone Pine, Republic	..	31	..
Midnight, Rossland	..	120	32
Minehaha, Danville	..	25	..
Nevada, Nelson	..	8	..
North Star, Greenwood	15	50	..
O'Brien, Cobalt	..	84	128
Perrier, Nelson	..	799	..
Planet, Nicola	..	..	105
Reno, Salmo	..	30	..
Republic, Republic	..	80	..
Royal Can., Nelson	..	2	..
Ruth, Sandon	..	..	44
Sally, Beaverdell	..	..	37
San Poil, Republic	..	203	..
Silversmith, Sandon	..	34	83
Sunset, Cascade	..	48	..
Union, Lynch Creek	41	868	734
Vancouver, Salmo	..	72	..
Wellington, Beaverdell	..	490	254
Wilcox, Ymir	..	..	19
Yankee Girl, Ymir	222	2,754	..
Total custom	361	7,845	3,980
Total comp.	4,632	188,196	206,179
Grand total	4,993	196,041	201,159

Smelters Huge Assets Make Imposing Array

Expenditures in Plant and Equipment in Past Seven Years Equal $42.68 Per Share While Total is Estimated at Close to $250 Per Share

In view of the fact that the Consolidated Mining & Smelting Co. has deferred the payment of dividends and its shares are selling at around $28 each, near the lowest levels in a decade, it is astonishing to note from a survey of the physical assets behind the stock that these are estimated at $250 a share.

The shares of the company have been subject to extreme market gyrations. The price reached a peak of $575 per share in 1929 when the company had a net profit of $8,848,030, equivalent to $17.35 per share, equivalent to approximately 33 times earnings. At that time the dividends gave a yield of about 2 per cent. This compares with a low point for the company's stock of $13.50 per share in 1921, reflecting a deficit of $59,292 for the previous year's operations and the passing of dividends.

It was interesting to note that at that time the book value of the shares worked out to $27.50 each as compared with $42.22 in 1931. That is to say, the present book value of the shares is approximately 50 per cent greater than in 1921 but it may be urged that book values are largely arbitrary and do not truly represent the company's liquid assets and investment in plant.

Simple Capital Structure

Smelters' capital structure has been reduced to the simplest form inasmuch as it has but one capital liability to the public consisting of 563,480 common shares of $25 par value each.

The current assets of the company on Dec. 31, 1931, less current liabilities, work out to the equivalent of $14.55 per share. That is, if the company were liquidated the net market value behind the shares is $14.55 each without reference to the value represented by plant, property or shareholdings in allied companies. With current market prices for the shares around $28, it becomes evident that these other assets represent the difference, or $13 per share.

The plant and equipment were shown on the books of the company on December 31, last, at $21,318,148, but this figure is after liberal depreciation has been deducted. This is evidenced by the fact that in the past seven years the company has expended on plant and equipment $24,051,748 or the equivalent of $42.68 per share. Of this amount over $10,000,000 has been expended in the past two years, but on a basis of book value for plant the equity represented per share is $38 per share.

Among the plant's improvements is a $10,000,000 expenditure for a chemical fertilizer plant that is laying the foundation for a huge new industry primarily to serve the prairie grain grower.

Properties Hard to Value

Properties of mining companies almost defy valuation as invariably their potentialities have not been fully delimited and they are subject to such fluctuating factors as metal prices and costs of production. Smelters' main property is the Sullivan mine, commonly regarded as one of the richest lead-zinc properties in the world. The potential ore reserves of this property have not been officially announced, but conservative engineers have estimated at least 20 years supply for current scale of operations which means 36,000,000 tons. The potential or possible profit in this ore likewise is equally difficult to assess, but if one uses the yardstick of production from the Sullivan property in the past three years and the average profit made by the company in the past three years, there is an indicated profit of $3 per ton. Therefore, if metal prices during the next 20 years average the equivalent of what they have in the past three years, the profit on the ore in the Sullivan mine would be equivalent to approximately $200 per common share. For the basis of this survey other important properties will not be taken into consideration.

Consolidated Smelters is not only one of Canada's leading mining and metallurgical enterprises, but it is a large holding company as well, and in addition to subsidiaries or controlled properties, it has substantial investments in many well-known mining enterprises. Among these is 120,000 shares of Coast Copper Co.; 1,390,000 shares of George Gold Copper Co.; 200,000 shares of Sheritt-Gordon Mines; 110,000 shares of Amalgamated Metals Ltd.; 10,000 shares of International Nickel Co. and 10,000 shares in the Ontario Refining Co. The current market price for this group of holdings is equivalent to $1.25 for each share of Smelters' stock.

Largest Exploration Company

In addition, it controls many companies whose stock is not listed and for which there is no established market, including the West Kootenay Power & Light Co., the Buena Vista Mining Co., Iva Fern Mines, Northern Lead-Zinc, Pacific Coast Terminals, Solar Development Co., and Sunloch Mines. In these controlled companies Smelters has one of the leading hydroelectric power companies in British Columbia, some interesting mining prospects and through Solar Development Co., the largest mining exploration undertaking in Canada, which includes in its equipment the largest fleet of commercial aeroplanes owned by any company outside of the Canadian Airways.

In making comparisons of values it is interesting to note that the present market value of Smelters stock is less than one-third of the peak market value of Ventures Ltd., one of the most active exploration companies in Canada, in its heyday; also that Sudbury Basin, a potential lead-zinc producer in the Sudbury area, sold at a peak price equivalent to the present day price of Consolidated Smelters. Two promising copper and copper-zinc properties, Amulet and Abana, together sold up to the present market value of Smelters. This comparison simply emphasizes that today Consolidated Smelters, the largest individual prospecting concern in Canada, the largest zinc producer in Canada, and the largest lead producer, is selling at a value reached three years ago by properties whose potentialities in no sense compare with those of Smelters.

Through this exploration company, mining prospects throughout Canada and the United States are being continuously investigated. Its exploration activities were extended to Southwest Africa in 1930 and included in its Canadian mining prospects is one of the largest groups of claims in Canada's newest mining area under development—the Great Bear Lake district.

Without placing any assessable value on its extensive interest in subsidiary companies and properties and prospects under development the array of assets in the foregoing analysis totals over $250 per common share outstanding which at least gives shareholders comforting reassurance now that the company's earning power is reduced by general economic conditions, deferring dividends until such time as the huge assets behind the company make it possible to demonstrate their earning power.

Summer Flying To Great Bear Opened Early

Canadian Airways has made its first round trip for the summer flying season to Great Bear Lake, thereby establishing a record for the opening of air transportation with pontoon-equipped aeroplanes, which will greatly assist in furthering the summer work..

The season was opened by C. H. "Punch" Dickins, veteran pilot of the Canadian Airways, who landed at Echo Bay, on June 21, returning to McMurray, the end of steel, on June 23.

A visit was made to all the larger parties operating in the area including Eldorado, Consolidated Smelters, Great Bear Lake Mines, Great Bear Development, N.A.M.E., John Dryborough and McIntyre Porcupine Mines. All parties are reported healthy and enthusiastic about the way the properties are developing. A recent find at Contact Lake is regarded as important.

Another errand of mercy was accomplished when on the return trip the aeroplane brought a sick man out to medical attention.

Already this year the Canadian Airways has taken in 15 tons of supplies and equipment to the Echo Bay area from Ft. Rae.

East Geduld Mines Declares Dividend

East Geduld Mines, a gold producer which started operations in the Far East Rand, Africa, last July, has declared an initial dividend of one shilling per share, payable July 26 to shareholders of record June 30. The company has an outstanding capitalization of 1,560,000 £1 shares, which will mean a disbursement to shareholders of approximately $375,000.

Dome Mines owns 90,000 shares, so that its proportion of the disbursement will be equivalent to approximately $25,000 in Canadian funds.

Astoria Rouyn Contracts For Diamond Drilling Work

Astoria-Rouyn Mines has contracted for a diamond drilling programme at its property in Louvicourt township, Northwestern Quebec, according to official information.

Preliminary work was started at the company's property last year and it is understood that results have been very satisfactory which prompts the company to proceed with the drilling programme in the immediate future.

The company is well fortified with cash for its present programme having approximately $75,000

Canadian Mineral Production

Compiled by The Dominion Bureau of Statistics

Production of Leading Minerals in Canada

		March, 1932	April, 1932	April, 1931	Four Months Ending, April, 1931	April, 1932
Asbestos	tons	8,937	8,830	14,264	54,106	35,633
Cement	brls.	276,172	427,320	835,769	2,205,181	1,210,151
Clay products	$	310,578	862,327	674,640	1,976,129	1,308,752
Coal	tons	1,024,190	734,500	898,455	4,090,411	4,198,343
Copper	lb.	23,662,648	22,077,843	27,845,741	98,185,106	87,844,078
Feldspar	tons	1,160	415	707	2,484	3,820
Gold	fine oz.	255,675	246,359	222,073	823,575	961,751
Gypsum	tons	11,858	23,087	32,576	72,566	46,161
Lead	lb.	21,832,722	21,624,442	29,037,271	102,170,872	84,578,822
Lime	tons	29,108	26,744	29,990	109,976	103,169
Natural gas	M. cu. ft.	3,009,764	2,353,619	2,454,063	11,380,924	11,627,437
Nickel	lb.	3,754,829	3,384,620	4,134,541	25,686,959	14,529,172
Petroleum	brls.	97,484	95,585	153,705	649,425	380,822
Salt (commercial) tons	tons	14,185	16,078	13,976	48,864	52,175
Silver	fine oz.	1,460,137	1,645,094	1,685,842	7,801,929	6,478,578
Zinc	lb.	15,166,791	14,650,218	22,707,451	86,872,594	59,151,289

KIRKLAND LAKE'S DEEP PROGRAMME PROCEEDING WELL

New Winze to Be Sunk 1,000 Feet From 4,950 Foot Horizon

Production and profits continue on a favorable basis as Kirkland Lake Gold Mining Company's deep development programme is advanced. Indications are that the value of bullion production for the second quarter of 1932 ended June 30, will be approximately $180,000 showing an operating profit of close to $70,000.

The fact that the quarter just ended was one of the best in the company's history comes as gratifying news. It has swelled the company's liquid position close to $345,000 and indications are that the company will finish 1932 with liquid assets well in advance of the $425,776 shown on December 31, 1931. When it is considered that over $200,000 was invested in securing control of the Grozelle Kirkland Mines early this year the company's operations are put in a proper perspective.

A factor that will also enable the company to make somewhat better showing in the last six months is that in July it will have finished its present contract of drifting into the adjoining Macassa property and drills will be made available for production. At the present time about $6,000 per month is being expended in conjunction with facilitating Macassa's programme. While this is a profitable contract for Kirkland Lake Gold, it was entered into in the neighborly spirit of assisting in Macassa's speedy development and the return of machines from this work to Kirkland Lake property will be conductive to greater gold production.

Good Assays at Depth

Development work at the lowest or 4,950 ft. horizon, the lowest that will be opened up from the main winze, continues in a most satisfactory manner, Dr. J. B. Tyrrell, president and managing director of the company, told The Financial Post, although the work on this level can be said to be little more than started. The crosscut from the winze south to the vein encountered the diabase dike as the objective was reached. Here the width of the vein was 36 ft., the best showing that had been encountered in the mine with the hanging wall giving spectacular gold assays. Present work is directed at extending the face of the drift east and west in the footwall following the mud seam. Both the east and west faces have been extended approximately 100 ft., the east penetrating the diabase dike which has a thickness of from 140 to 160 ft. In the west drift no attempt has been made to explore the full width of the vein, but the great width and high assays lend great encouragement. Hope is strong that ore will also be found east of the dike as a diamond drill through this section from the level above encountered good values.

Plans are already being laid for sinking a second winze, from the 4,950 ft. horizon at least 1,000 ft. This will be mainly an exploratory winze but suitable for production purposes if needed and will be operated by an air hoist. Such a procedure materially reduces the expense of cutting a station and extending electric cables, and will not call for heavy capital expenditure. The hoist for this development has already been ordered and work will be proceeded with in the early future.

New Winze Farther South

This winze will be started several hundred feet south of the main winze, which is about 400 ft. south of the main shaft. It is expected that at the present objective of 5,000 ft. total depth, the vein will be encountered if it continues at its present dip. At depth of 6,000 ft. it is expected that the main vein will be found to be on the Grozelle section of the company's holdings.

With the near development of the vein system on the Grozelle section of the property, 1,000 ft. below the present working, it becomes evident that Dr. Tyrrell's policy in acquiring control of Grozelle was not accomplished before its importance was confirmed. When it is realized that the length of the main break at depth will be approximately twice that previously existing the importance of the Grozelle acquisition is further emphasized. This is not the only phase of the Grozelle purchase, however, that is interesting. In the drift into the Macassa property from Kirkland Lake Gold Mining Company's 2,475 ft. horizon, diamond drilling to the south picked up other ore shoots. Thus at greater depth but well within the scope of present shaft facilities, the wisdom of acquiring the Grozelle is further enhanced.

With earnings and production continuing on a normal basis, indications are that 1932 will be Kirkland Lake Gold's banner year, with current assets further increased and a property acquired that practically doubles its ore possibilities at depth.

Osisko Lake Mining Assets Are $24,891

The annual report of Osisko Lake Mines for the year ended December 31 shows the company to have current assets of $24,891 including $24,824 in cash as against current liabilities of $5.

No work has been done at the company's property in Rouyn township adjoining Noranda Mines other than to keep it in good standing and it is not the intention to take up the matter again of financing an adequate campaign of exploration work until copper prices improve, Thayer Lindsley, president of the company, reports.

The financial statement shows the company owns 5,500 shares in Beaufort Gold Mines developing a prospect in Pascalis area, Quebec, and 90 per cent interest in Lakeside Mines as well as its wholly owned subsidiary, Osisko Lake Mining Co.

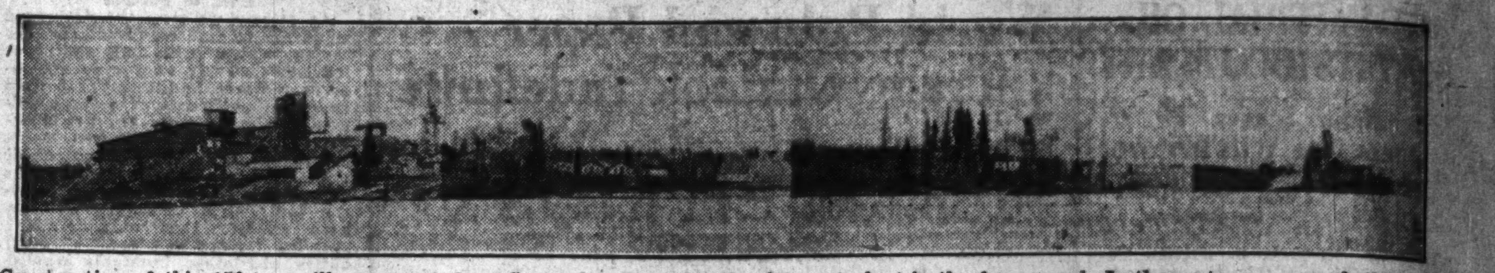
Of the authorized capitalization of $2,000,000 in $1 par value shares, 1,572,156 have been issued.

Mining Stocks Rise

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 48.4 for the week ending June 23, as compared with 47.3 for the previous week.

Eleven gold stocks rose from 48.5 to 50.3, four gold-copper stocks fell from 48.4 to 46.9, and five silver and miscellaneous stocks rose from 16.1 to 17.4.

Panorama View of San Antonio, Manitoba's Newest Gold Producer



Construction of this 150-ton mill was started on September 11, 1931, and the first ore was treated on May 1, 1932. The first gold brick was poured on June 18, 1932. On the left is the mill with the old steam development plant in the foreground. In the centre are camp buildings, while at the extreme right is the No. 2 or production shaft, connected by an aerial tramway to the mill.

ELDORADO SHIPS MINING EQUIPMENT TO ECHO BAY FIND

Diesel Powered Plants to Operate from Ft. Norman Oil Development

It is anticipated that this week will see the final tests made of Eldorado Gold Mines new Diesel engine-driven mining plant whereupon shipment will be made to the site of its silver-radium ore find at Echo Bay, Great Bear Lake.

The equipment includes a 50 h.p. Junkers Diesel engine directly connected to a two-drill air compressor and a 20 h.p. Junkers Diesel engine driven hoist, together with affiliated plant items including a lighting generator. The installation of this equipment will constitute the most northerly mining plant in the British Empire and will greatly facilitate the development operations under way. It is not anticipated that installation will be made in sufficient time to be in productive service before the close of navigation. Oil for operating the engines will come from the Fort Norman wells of Imperial Oil, which are now being put in condition for production. A small oil still is to be installed and it is anticipated that sufficient fuel oil will be transported to Echo Bay during the present summer season of water navigation to supply operations until next summer.

The Hudson Bay Co. has a contract for transporting Eldorado's supplies to the property and the ore from the property back to Waterways, the end of steel of the Northern Alberta railways from Edmonton.

Transportation Costs Drop

In view of the volume of equipment being shipped in by the company and the anticipated ore returning, the $320 rate per ton in and $150 per ton out, will be considerably modified by the sliding scale rates prevailing.

A party of about 25 men are at work at Eldorado but definite information is not yet available as to the progress made since the winter flying season ended.

Operations at the Eldorado workings at La Bine Point, are described in a letter received in Vancouver from J. L. McDougal. son of the government agent for the Northwest Territories. Mr. McDougal is a member of the crew at Eldorado. His letter was in the last air mail out until the lake is free of ice about the end of June. Mr. McDougal arrived at the Eldorado early in April. He writes as follows:

"The pit we are working is certainly a marvelous sight—rich beyond a dream in silver—and the best part of it is that at every new shot they put in, it gets richer.

"This is a vast country and there is a marvelous opportunity for a person to prospect and a very good chance of making a rich discovery.

"In this property there are rich silver and pitchblende veins. The vein we are working on now is seven feet wide and we are down about 14 feet with no sign of bottom and it is reported to be 5,000 ounce ore which is not by any means exaggerated as some mining men who have seen it claim it is 15,000 to 20,000 ounce ore.

"The vein has been traced so far for about 400 feet and keeps its width for this distance and this is a very small part of what they actually have.

"There is going to be a big rush here this summer and undoubtedly there will be a big boom at the settlement that is starting around Cameron Bay about six miles from here where several cabins are now completed and where in all likelihood the government wireless station will be."

Copper Moguls Meet To Discuss Conference

On June 24 a conference was held in Toronto of the leading copper producers in the Dominion to discuss and formulate policies with respect to Canadian copper producers at the forthcoming Imperial Conference in Ottawa.

The nature of the meeting was such that no public statement has been issued, but it is understood that definite progress was made and a committee formed to represent the Canadian producers and negotiate with the idea of placing Canada's copper interests foremost in Empire trade.

SAN ANTONIO'S INITIAL OUTPUT IS FLOWN OUT

New Gold Mill Operating Successfully With Good Ore Opening Up

Tangible results from Manitoba's newest gold producer, San Antonio Mines, was made on June 18 when the first brick amounting to 1,228 oz. was brought out from the property by aeroplane.

The construction of this mill, started on Sept. 11, 1931, establishes somewhat of a record for winter building in an isolated district, reflecting credit on D. J. Kennedy, manager of the company, who directed construction operations.

The mill was designed by the General Engineering Co. and has a capacity of 150 tons of ore daily. In its construction some 900 tons of freight were hauled a distance of 45 miles over winter roads from Great Falls on the Canadian Pacific Railway to the site of operations at Rice Lake. In addition, about 100 tons of supplies have been taken in since navigation opened.

The lumber used in the construction of the mill was standing timber on September 1 last and in addition to clearing the site, building and equipping the mill, an electric power line was constructed from the Central Manitoba property, 18 miles distant.

The new mill is reported to be operating with the minimum trouble and extraction is satisfactory. Production has been gradually stepped up to 145 tons daily, but the amount of free gold in evidence is expected to make necessary the addition of amalgamation plates or blankets when ore from the high grade stopes is being handled.

Early in April, after electric power became available, underground work was resumed. The stations were enlarged and preparations made for taking out ore. Stopes were started on No. 16 vein on the 600 and 725 levels and on the 608 vein on the 600 ft. level while another stope is being started on the 709 vein.

Work on the 302 crosscut was the first development undertaken this year and this face was advanced 145 ft. cutting the 0 8 vein which averaged $9 per ton in gold over a width of 5 ft.. Drifting has since showed a length of 175 ft. with both faces still in ore. The crosscut is being continued out to the 16 vein which is approximately 240 ft. northwest of the 0 8 vein. It is expected that this vein will be intersected early in July.

Millfeed at present is coming from development work and where the sills for the stope floors are being cut and is not representative of what the future mill feed will be.

CANAD. AIRWAYS WILL INAUGURATE AIR MINING SURVEY

Vertical Matched Mosaic Photographs to Aid Prospecting

Canadian Airways has arranged to make an aerial survey of a block of approximately 150 square miles covering Echo Bay and Contact Lake areas, Great Bear Lake. The survey will be made by means of vertical photographs for private mining interests, which will be furnished with a copy print of a matched mosaic photograph of the area on a scale of 800 ft. to one inch, together with the individual vertical photographs.

So far as is known this is the first time an attempt has been made to adapt aerial survey to the actual work of prospecting and mineral development. Use of the photographs with a stereoscope will show the area in relief and will reveal all the surface features of the country covered. It will be possible to follow formations from one claim to another and by using information obtained on the ground at various points it ought to be possible to predict the probability of further mineralization at different points as indicated by surface structure. It is thought that it will assist materially in expediting the examination of the area and in addition, will afford an exact scaled map of the ground covered. The work will be proceeded with as soon as the snow is out of the valleys and Canadian Airways Limited expect to have the photographs back in the field for use during the summer.

With the survey, Canadian Airways will also prepare wall mosaic maps, showing a composite photograph of the whole area at a scale of approximately 1,600 ft. to one inch.

The Financial Post understands that the aerial maps will be available for interests other than those contracting for the survey.

Quebec Gold Output Establishes Record

Another record production of gold in May is reported by the Quebec Department of Mines with an output totalling 41,802 oz. valued at approximately $864,000 without exchange compensation. This compares with an output of 35,998 oz. in April and brings the total gold production for the first five months of the current year to 179,256 oz.

Reno Rehabilitates Motherlode Plant

From Our Own Correspondent

VANCOUVER. — Contract for the installation of a new tramway from Reno mine to Motherlode mine in the Sheep Creek gold mining area will be let in a few days, according to O. C. Thompson, managing director of Reno Gold Mines.

Mr. Thompson says that additional hydro-electric power will be provided at the Motherlode, which has always lacked sufficient power in the winter months. Additional 800 h.p. will make capacity operation possible.

The Motherlode mill will handle ore from the Reno, Nugget and Motherlode properties, all of which are now under Reno ownership.

The Reno crew is now making good progress in blocking out ore for the start of new milling operations.

Woodbine Mining Co. Affairs to be Probed

At a meeting of directors of Woodbine Gold Mining Co., held in Vancouver on June 18, Hugh McGuire, managing director of the company, reported that financial negotiations with the Missouri Ridge Gold Mines were unsuccessful and that he was resigning from the board.

Mr. McGuire places the responsibility for the failure of the negotiations on the activity of a group of shareholders asking the Secretary of State for an investigation into Woodbine's affairs for the past four years. Woodbine's obligations were stated to be approximately $10,000.

It is proposed that, in the application to the federal authorities, an inspector be appointed to go thoroughly into Woodbine's affairs.

B. C. COPPER MINES CONSIDER MARKETS

U. S. Tariff Deals Temporary Blow to Pacific Coast Producers

From Our Own Correspondent

VANCOUVER.—Recognizing the new United States tariff as a severe temporary blow to the copper industry in British Columbia, representatives of the Granby Consolidated Mining & Smelting Co., and the Britannia Mines, the two largest companies engaged in copper production, are considering plans for future action with a view to finding a market that will offset the expected losses. Owing to the lengthy rail head B. C. copper producers face an additional handicap in courting British markets.

Britain at present buys from 75 to 80 per cent of its copper in the United States and if its purchases were diverted to Empire producers there would be a market for all Canada's output. It is the development of this British market that will be sought by the mining industry here, in co-operation with the provincial government, and a brief on this subject will be filed at the British Empire Economic Conference.

British copper producers will, of course, insist on getting copper as cheaply as possible so that they may compete in world markets with their copper products. Some form of open competition among copper producers of the Empire or a quota system based on world prices are suggested as a possible arrangement to assist the industry.

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Supplement Featuring London

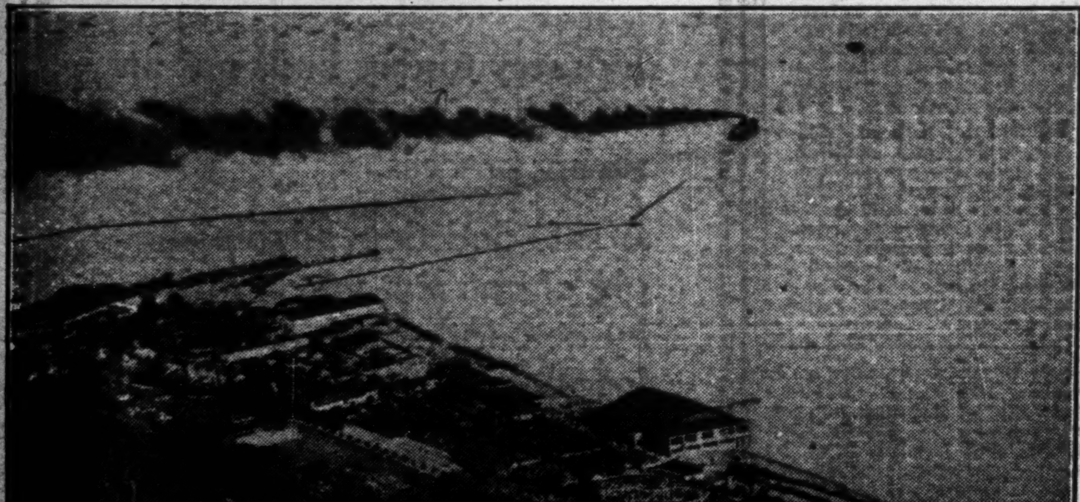
THE FINANCIAL POST

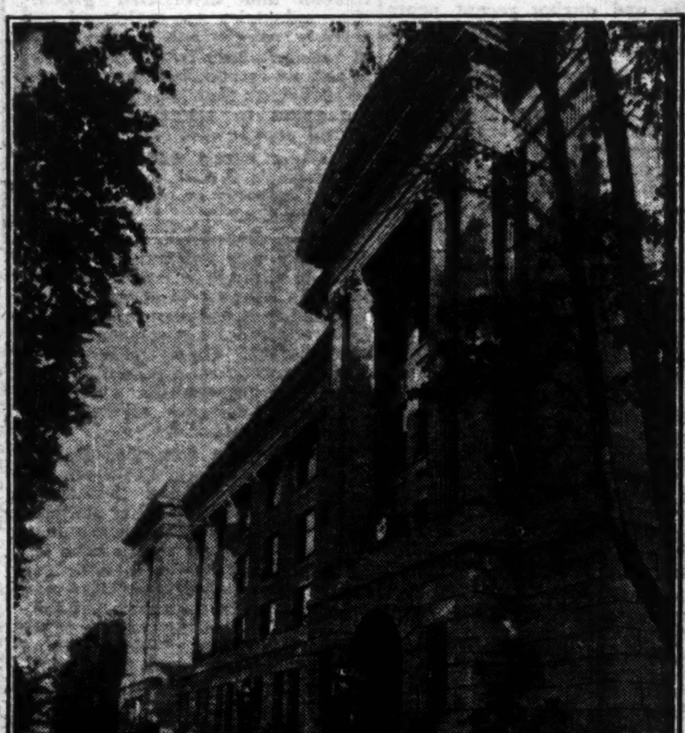
The Canadian Newspaper for Business Men and Investors

Vol. XXVI Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, JULY 2, 1932 10c a Copy; $5.00 a Year No. 27

London, Capital City of Western Ontario

From the air London is seen as a city of modern buildings, wide streets and many parks. This picture shows why London is known as "The Forest City." Along the railway in the foreground are many industries; the modern office buildings in the centre mark the financial and retail district of the city.





Above: The impressive dignity of the new head office of the London Life Insurance Co. typifies London's position as the third largest financial centre in Canada.

Left centre: Port Stanley is London's playground on Lake Erie as well as one of the finest Canadian lake ports.

Left: The extensive plant of the Western Fair Association. Established in 1868, the Western Fair is the second largest annual fair in Canada.

London, Canada's Third Financial Centre

LONDON CITY ATTRACTIVE TO VISITORS

Broad, Tree-lined Streets Are Most Notable Feature

HIGH IN CULTURE

City Ranks as Educational and Religious Centre of Populous Western Ontario

Canadian centre for many internationally known manufacturing concerns, London is yet notable as a residential city.

Broad streets, beautiful homes within a few blocks of the business and financial districts, and a feeling of roominess in the entire layout soon impresses visitors, and the verdict of the inhabitants amply bears out the impression that London is one of the most attractive cities in the Dominion in so far as living conditions are concerned.

Many Home Owners

Industrialists have come to realize that volume of work turned out bears a direct relationship to the general health and contentment of their staffs and for this reason alone London holds a distinct appeal to them. Not only is there a sense of cleanliness about the city as a whole but this is also evident in the residences, reflecting the fact that over 60 per cent are owned by their occupants.

With these natural and acquired advantages of fresh air, cleanliness, beautiful parks and excellent sanitation, it is not remarkable that London ranks among the first cities on the continent in its health records.

Educational Centre

After a stormy career, which commenced in 1878, University of Western Ontario has, during the past ten years, come rapidly to the front and firmly established London as the educational centre of Western Ontario and one of the leading centres of education in the Dominion. Over 80 per cent of the students are drawn from Western Ontario and during recent years hundreds have been unable to find accommodation.

Many Fine Schools

Three collegiate institutes and a technical and commercial high school amply take care of the higher education of the youth of the city and in addition the Board of Education administers 21 public schools and 11 separate schools. found in the other departments of education.

Other educational institutions in the city are the London Institute of Musical Art, which is affiliated with the Toronto Conservatory of Music; the Normal school, the Westvelt school, the London Business Institute, and the Wells Academy.

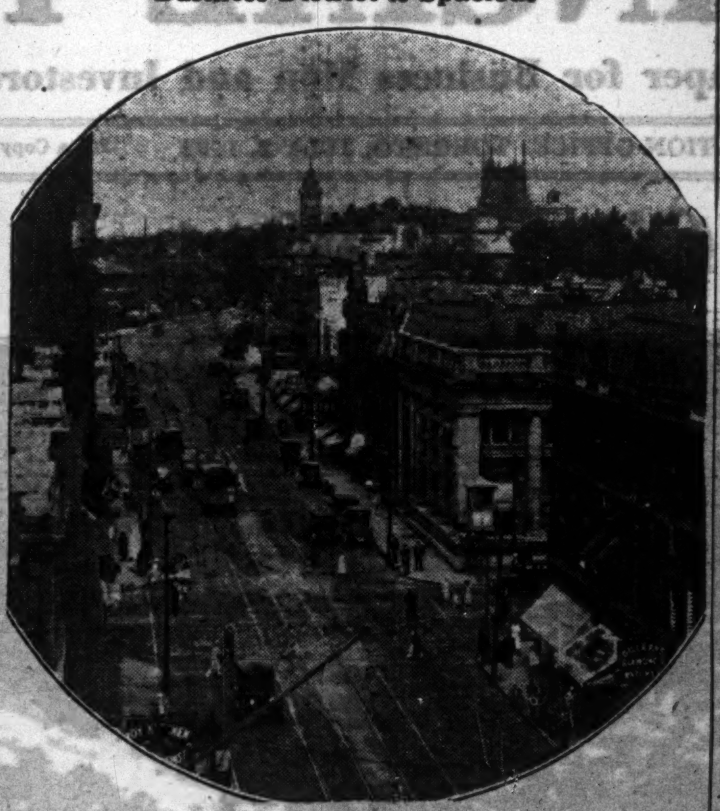
An efficient public library is maintained, having three branches to serve various districts. In 1931, approximately 43 per cent of the city's population were members, as compared with 18 per cent in 1912. In the same period the circulation of books has risen from 147,675 to 615,523 and the per capita circulation from 3.2 to 8.5.

Extensive Parks

London is well endowed with playgrounds and parks, the civic parks department maintaining ten parks extending to 580 acres. This includes the Springbank Park outside of the city limits which is 325 acres in extent and the Thames Valley Golf Course of 112 acres. Springbank Park is one of the most extensive and well equipped city parks in the Dominion and is rich in natural beauty.

Interest in the recreation of its citizens extends with London to Port Stanley on Lake Erie. Through the London & Port Stanley Railway the city provides cheap and rapid transportation for its citizens to the lakeside and there maintains a well kept and well-equipped park with all the facilities which go to make up a modern summer resort.

Business District is Spacious



London is noted for its fine shops. The city is the shopping centre for a rich agricultural community. Retail trade exceeds $35,000,000.

London Industries Maintain Position On Stable Basis

Food and Steel Groups Are Most Prominent; Textiles Follow

London combines in unusual degree the several requisites that are so all important to the firm establishment of industry and has become one of Canada's largest centres of industrial production through a sane, conservative expansion that has resulted in continuous and diversified growth. New industries are welcomed and actively sought but the backbone of London's industrial strength lies in the old-established home-nurtured industries that have grown with the years to positions of widespread prominence.

A city of over 73,000 people, London depends for its prosperity not on one industry or group of industries alone.

Such a diversified strength, industrially and financially, is only possible through a combination of factors favorable to cheap production and easy distribution of manufactured products combined with a rich market. Cheap power, good labor markets, central location, excellent transportation facilities, ideal industrial sites, all favor the London manufacturer.

For 1930 the Dominion Bureau of Statistics reports 228 manufacturing establishments in London with an invested capital of $46,838,810. These industries gave employment to 9,366 people who received $11,014,370 in salaries and wages. The cost of materials used during 1930 is shown at $17,786,502 and the selling value of the finished products at the point of manufacture is given at $45,497,024.

During 1931, for which Dominion statistics will not be available until next year, many of London's industrial companies showed substantial increase in production with a consequent increase in employment. Supersilk Hosiery Mills, Ltd., has been working on full time basis of some 22 hours a day; Kelvinator of Canada Ltd. during the past few months has been employing 40 per cent more men than in 1931, and another example is the R. G. Dun Cigar Co. which was started in 1931 with six employees and is now operating with well over 100.

Analysis of London's industrial diversification shows a particular strength in the food industry. In 1930, these industries accounted for 30.3 per cent of the value of products produced in London and employed 20.8 per cent of industrial employees. Many of the food companies in London have a nation wide reputation and among them are included, Canada Biscuit Company, Gorman Eckert & Co., Hunt Milling Co., C. Dexter & Son, Ogilvie Flour Mills, Co., Kellogg Co. of Canada Limited, Canada Bread Co. and Silverwood's Dairies Ltd.

Food Industries, 1930

	Employees	Value of Products
Coffee and spices	123	$ 855,182
Flour and grist mills ..	32	791,284
Bakeries	317	1,396,732
Biscuits and confectionery	839	4,866,505
Misc. food products	521	8,453,730
Creameries	119	1,540,074
Total (1930)	1,951	$17,903,507
% of total industries ..	20.8%	30.3%
Total (1929)	2,022	$18,878,613
(1928)	1,605	$12,466,119

The iron and steel industries are an important factor in London's industrial life, including as they do such companies as General Steel Wares Limited, the London plant of which was formerly, McClary Mfg. Co.; London Rolling Mills, Co., London Structural Steel Co., Dennisteel Limited, Beatty Bros., Empire Brass Manufacturing Co. In 1930 the iron and steel industry provided employment for 25.6 per

(Continued on page 19)

"Convention City" Is Gracious Host

London, famed as "The Convention City," will entertain more visiting delegates this year than ever before. Easy of access and with excellent hotel accommodation, it is estimated that conventions will leave some $750,000 in the city during 1932.

Industrial, financial, religious, professional, political, farm and labor groups have chosen the "Forest City" for the scene of their 1932 meeting. Few cities offer such splendid accommodation or such pleasant environment. London's fame as "The Convention City" grows from year to year.

Agriculture Is Base of London's Ranking As Financial Centre

City is Placed Third Among Dominion Cities as a Financial Centre Although Only Tenth in Population

London, unofficial capital of Western Ontario, financial centre, is a monument to the unflinching energy and business acumen of its inhabitants, and a synonym for stability.

The economic foundation of the city is agriculture. Farmers of the rich surrounding district prospered and from being borrowers became lenders; financial institutions were created to lend in the district and have become lenders throughout the nation, so that the city now ranks third among the financial centres of Canada despite the fact that it ranks but tenth in population.

It is not surprising, therefore, that London has the highest per capita wealth in Canada, that the London district is the third largest in payment of income tax, and that London is exceeded by only two other Canadian cities in the number of its resident millionaires.

Based on Sound Foundation

London is the product of geography, of nature, of location and of careful building. The careful building would have been futile without natural advantages, but without careful building there could not be the stability which, undoubtedly, is London's greatest asset. A stable and lofty financial structure has now been reared upon this sound foundation.

To a greater extent, perhaps, than is true of any other Canadian city, larger or smaller, London is a product of London brains and money. The community is remarkably self-contained. There have been no booms and comparatively few hard times. Local business is

(Continued on page 19)

Gas, an Important Aid to Development of

A Greater LONDON

Industry to-day finds gas an essential part of the manufacturing process.

A safe and dependable supply of gas is a first requisite by new industries seeking a location.

London can offer to all industries a gas service that is unsurpassed.

DO IT WITH GAS

Safe ... Economical Convenient

CITY GAS COMPANY OF LONDON

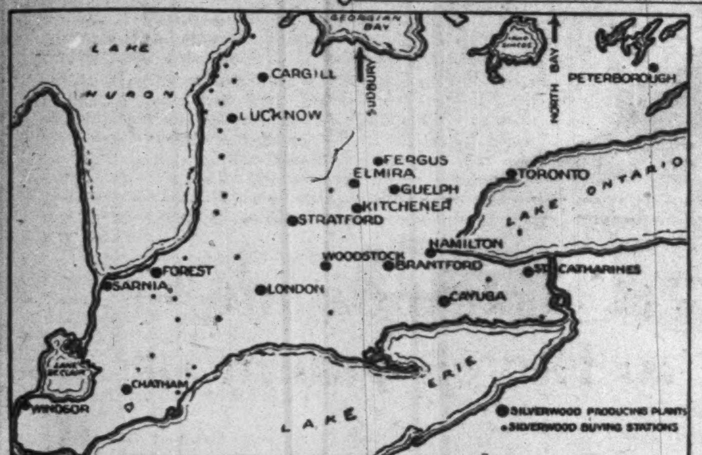
LONDON ONTARIO

LONDON IS CENTRE OF SILVERWOOD'S CHAIN OF DAIRIES

Company Serves Many Large Cities in Western Ontario

Silverwood's Dairies Ltd. adds much to London's reputation as a centre for food industries. Operating some 27 plants in south-western, eastern and northern Ontario the company is directed from London where its head office and one of its largest plants is located. A. E. Silverwood, president and general manager of the company first established his own company in 1903; is recognized as one of the leading milk distributors in the Dominion.

Silverwood's Dairies Ltd. has shown a rapid growth in recent years, the company having been formed in 1928 to acquire the subsidiary and associated companies formerly held by Silverwood's Ltd. and A. E. Silverwood. Consolidation of the many units was carried on during 1931 and in that year some 10,000 customers were added and unit sales were increased. Due to conditions within the industry the dollar volume of sales showed some decline but it is expected that the financial statement, soon to be presented, will show substantial write-offs and an increased profit.



Cash Position Better

As a result of 1931 operations the company has been able to substantially reduce bank loans and improve working capital position. Depreciation reserve on buildings and equipment has been increased by some $335,000 and organization expenses have been written down. Operating costs have been reduced without recourse, as yet, to salary reductions. The company has some 950 employees with a payroll of $1,250,000. In London the company has some 450 employees.

The company has practically no funded debt and in the past year has reduced the small amount of bonds outstanding on some of its subsidiaries. Certain mortgages were also paid off from the proceeds of an issue of debentures amounting to $124,000 which were sold direct by employees of the company to customers. Chief public interest lies in the 7 per cent cumulative convertible preference shares of $100 par value of which there was shown $3,326,900 outstanding in the last financial statement while since that time the company has retired some $40,000 of preferred. There are 139,745 shares of class A, no par value stock and 25,000 common shares of no par value.

Service Is Wide Spread

Distributing plants and buying stations of the company completely blanket southwestern Ontario and in addition to the production of milk and cream the company is a large manufacturer of ice cream, butter, cheese and condensed milk and also does an ice and cold storage business. Operations include plants at Sudbury and North Bay on the north and Peterborough on the east, while among the larger cities in southwestern Ontario which are served are Toronto, Hamilton, Brantford, London, Windsor, Kitchener, Stratford, Chatham, St. Catharines, Sarnia, Woodstock and Guelph.

Employees, milk producers and consumers all have a substantial interest in the parent company, Silverwood's Dairies Ltd., which is both a holding and an operating company. There are some 5,000 shareholders scattered throughout Ontario. Officers of the company are as follows:

A. E. Silverwood, president and general manager; W. E. Robinson, vice-president; G. H. Belton, second vice-president; J. H. Duplan, assistant general manager; J. H. Gillies, secretary-treasurer; G. Blake, assistant secretary-treasurer.

Directors of the company include: A. E. Silverwood, W. E. Robinson, G. H. Belton, R. G. Ivey, London, Ont.; E. K. Reiner, Wellesley, Ont.; E. W. Nesbitt, Woodstock, Ont., and W. H. Carruthers, Toronto, Ont.

LONDON INDUSTRIES ON STABLE BASIS

(Continued from page 18)

cent of the total of industrial employees in the city, while the value of products amounted to 15.3 per cent of the total. Employment and production values for the iron and steel industry in 1930 is as follows:

Iron and Steel Industries, 1930

	Employees	Value of Products
Sheet metal products ..	374	$1,124,306
Iron and steel	2,031	5,866,745
Total (1930)	2,405	$6,991,051
% of total industries ..	25.6%	15.3%
Total (1929)	2,764	$9,323,779
(1928)	2,608	$9,935,112

London is also a textile centre of importance. Among the companies representing the city in the trade are Holeproof Hosiery Mills of Canada, Ltd., Supersilk Hosiery Ltd., London Hosiery Mills Ltd., Campbell Hosiery, Richmond Hosiery Ltd., McLeod Hosiery Mills, Penmans Ltd. and Canadian Kickernick Co. Production of hosiery has been very well sustained. Figures for 1930 are as follows:

Textile Industries, 1930

	Employees	Value of Products
Hosiery & knit goods ..	960	$3,395,547
Textile products	308	744,868
Total (1930)	1,268	$4,140,415
% of total industries ..	13.5%	9.1%
Total (1929)	1,312	$4,093,261
(1928)	1,220	$3,861,436

The printing and publishing business is well established in London on a stable basis, the two London daily newspapers, the London Free Press and the London Advertiser, serve all of Western Ontario as well as London and are widely known in Canada. Figures for the printing and publishing companies and allied industries for 1930 are as follows:

Printing and Publishing, 1930

	Employees	Value of Products
Job print. & bookbdg. ..	105	$ 271,161
Print. & publishing ...	327	1,324,509
Lithog. & engraving ...	479	2,114,226
Total (1930)	911	$3,709,896
% of total industries ..	9.7%	8.1%
Total (1929)	945	$3,907,896
(1928)	954	$3,707,865

The manufacture of leather was one of London's first industries and has continued to play an important part in the development of the city. While there is little demand for harness and saddlery at the present time, shoe manufacturers have continued to be active, including such leading firms as Scott & McHale Ltd. and Murray Shoe Co. The figures for this industry are as follows:

Leather Industries, 1930

	Employees	Value of Products
Harness & saddlery ...	10	$. 20,560
Leather boots & shoes .	434	1,505,138
Total (1930)	444	$1,525,698
% of total industries ..	4.7%	3.3%
Total (1929)	463	$1,844,538
(1928)	503	$1,940,406

AGRICULTURE IS BASE OF LONDON'S RANKING AS FINANCIAL CENTRE

(Continued from page 18)

so diversified that an enviable stability has resulted and national business is now augmenting the earlier established local wealth, being sufficiently stalwart in many lines to carry on quite independent of it.

The outstanding financial institutions of other parts of the Dominion were not slow to realize that in London there was a productive field for the carrying on of their particular business, and the result was the establishment in the city of branch offices of most of these financial houses. These branches have both added to the city's wealth and prospered with it.

Impressive evidence of London's place in the financial world is seen in the number of outstanding financial institutions born and nurtured in the city. Many of them have spread throughout the Dominion, maintaining offices and representatives from Halifax to Victoria. Prominent among these institutions, which have their head offices in London, are two strong life insurance companies, five loan, savings and trust companies, and one widely-known fraternal society. The following is a list of these organizations:

London Life Insurance Company.

Northern Life Insurance Company of Canada.

Canadian Woodmen of the World.

Huron & Erie Mortgage Corporation.

Ontario Loan and Debenture Company.

London and Western Trusts Company.

Canada Trust Company.

Premier Trust Company.

Continued success of all these institutions seems assured. They are conservatively managed by men of outstanding ability and integrity, men imbued with the conviction that steady growth, without uncertainties and extremes, is surer and safer than anything of the mushroom variety. The surrounding district is noted for its fertility, its diversification of agricultural produce and the high intelligence of its agrarians. All these advantages and London's strategic geographical position combine to make as certain as is possible that the city will continue to expand with the surrounding country and with the Dominion.

London is exceedingly well served by the leading Canadian banks including the following: Bank of Montreal, five branches; Bank of Toronto, six branches; Royal Bank, Dominion Bank, Bank of Commerce, each two branches; and Bank of Nova Scotia and Imperial Bank, one branch each. A total of eighteen branches.

Bank clearings show London to be the fifth centre in Ontario and the fourteenth in the Dominion in 1931. Here are some figures for previous years:

1915	$ 89,774,787
1925	136,640,609
1930	168,047,076
1931	145,511,234

Closely related to the financial life of any city, both drawing from and contributing to its stability, are manufacturing and industrial plants. In this again, London is particularly well endowed having a very well diversified list of industries in which those producing food products and other stable articles are prominent.

With a large proportion of its population engaged in financial pursuits and industries having year-round payrolls, with little fluctuation from year to year, the city is provided with ample circulating funds.

It is courage tempered with caution that has resulted in a city with many industries doing well, financial institutions which rank among the strongest in Canada and a community which seems certain to continue its steady growth in the generations to come.

Rounding out London's roll of financial institutions are several firms of investment bankers, who serve, not only London investors, but investors throughout Western Ontario. Isard Robertson & Co., E. A. Siegrist & Co., and Midland Securities Corp., all of which maintain head office at London. These firms have handled a substantial amount of local, municipal and industrial financing.

Several leading Toronto firms are also represented maintaining offices in London, including R. A. Daly & Co., and Dominion Securities Corp. In addition there are several stock brokerage houses.

Huron & Erie Debentures

5½%

per annum payable half-yearly

Approved under Orders-in-Council as a trustee investment.

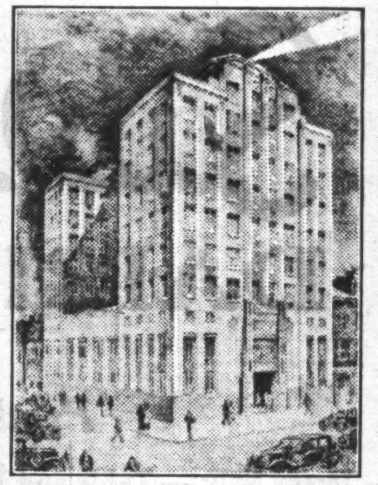
15 internationally known insurance companies have $1,500,000 invested in Huron & Erie Debentures.

Over 35 farmers' mutual fire insurance companies and rural telephone companies carry Huron & Erie Debentures among their assets.

Paid-in Capital and Reserve $7,800,000

Our nearest Branch Office will be pleased to send on request a copy of our booklet — "The difference between an Investment and a Speculative Security."

London
Toronto
Hamilton
Windsor
St. Thomas
Chatham



Montreal
Winnipeg
Regina
Edmonton
Vancouver
Victoria

Head Office, London, Canada

The Huron & Erie Mortgage Corporation

T. G. Meredith, K.C., *Chairman of the Board* Hume Cronyn, *President*
Maj.-Gen. Hon. S. C. Mewburn, K.C., C.M.G., *Vice-President*
M. Aylsworth, *General Manager*

Province Wide Distribution

Serving 100,000 Customers in Ontario

Annual sales include approximately Thirty Million Quarts of Silverwood's "Safe Milk," One Million Gallons of Silverwood's "Smoother than Velvet" Ice Cream and Five Million Pounds of "Silverwood's" and "Elmira" Finest Creamery Butter.

SILVERWOODS LIMITED
SILVERWOOD'S

The Silverwood Plant at London, Ontario

Operating Plants at:

London
Toronto
Windsor
Chatham
Brantford
Hamilton
Kitchener
St. Catharines
Peterborough
Elmira
Lucknow
Cargill
Stratford
Sarnia
Woodstock
Guelph
Fergus
Forest
Cayuga
North Bay
Sudbury

Silverwood's

DAIRIES, LIMITED

Producers and Purveyors of

Safe Milk — Jersey Milk — Table and Whipping Cream — Buttermilk — Ice Cream — Evaporated Milk — Cheese — Creamery Butter — Powdered Milk — Condensed Whole Skim Milk — Buttermilk Powder — Ice Cream Sundries — Semi-Solid Buttermilk — Eggs — Poultry — Frozen Eggs — Soda Fountain Supplies

Owned and Operated by Over Five Thousand Canadian Shareholders, including Producers, Consumers and Employees

PUBLIC UTILITIES ARE CONTROLLED BY SMALL BOARD

Mayor and Four Elected Members Compose Commission

London's public utilities are under the direct control of a committee of five members, including the mayor ex-officio, who administer the civic waterworks, electrical, parks and playgrounds departments. This committee has evolved from the Board of Water Commissioners, formed in 1878, which continued until 1914.

The four elected members of the commission serve for two years and there is a permanent general manager. The commission occupies a section of the modern municipal buildings, built in 1927, a civic headquarters building whose very design, appearance and appointments suggest efficiency. The complete personnel of the commission for 1932 is as follows:

Commissioners: J. C. Doidge and T. W. McFarland, who retire in 1932, R. H. Dowler and J. Vining, who retire in 1933, and Mayor George Hayman, E. V. Buchanan is general manager; O. Elwood, secretary; and Jas. S. Bell, treasurer.

The history of the hydro-electric power department has been one of ever-increasing power consumption and ever-decreasing rates. London, home of Sir Adam Beck, claims the right to the distinction of being the birthplace of hydro and it has been served in this manner since 1910.

Power rates adopted by the commission on June 1, 1929 are exceptionally favorable for industrial development and bear comparison with any other point in the province. Greater continuity of service was made certain last year by the installation of a new 4-wire network system.

Despite reduced power requirements from industry during the past two years the electrical department was able to show a profit after writing off an ample amount for depreciation. The surplus at the end of 1931 amounted to $156,077.

Chief Magistrate

GEORGE HAYMAN

Mayor of London, Ont., whose job it is to maintain the city's high financial standing in the present difficult times.

London's waterworks system was inaugurated in 1878 and since that time the plant has been continually expanded until at the present time there is invested in the waterworks over three millions of dollars. Revenue from consumers is more than sufficient to meet all costs and taxpayers are therefore not obliged to pay any water tax; in fact, over half a million dollars has been turned over to the city council toward the reduction of the taxes.

The policy of the commissioners has been to supply the citizens with pure water from underground sources, and although about 1908 the springs at Springbank became inadequate, it has been possible by the drilling of artesian wells in different parts of the city to maintain a sufficient output of the much desired spring water.

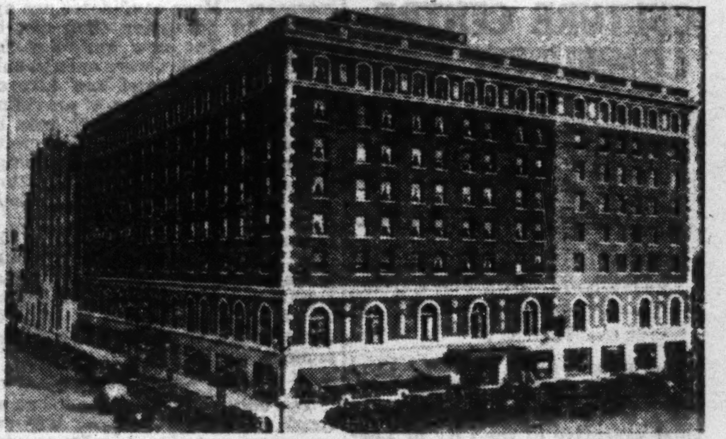
Drill New Wells

An additional system of wells is just being completed with a capacity of 2½ million gallons a day and it is estimated that this supply should tide the city over for a number of years provided no particularly rapid expansion takes place.

Food Industry Leads

In spotless white, the McCormick plant of the Canada Biscuit Co. is representative of one of London's old-established industries.

London's Modern Hostelry



Hotel London combines the quiet of a residential hotel with a central location in the heart of London's financial and retail district. The new annex is shown at the right of the above picture.

PREMIER TRUST CO. TORONTO OWNED

Formerly Affiliated With People's Loan & Savings Corp.

In February, 1932, the Premier Trust Company was divorced from the defunct Peoples Loan & Savings Corp., of which it had been a subsidiary, which had been earlier taken over by the Huron & Erie Mortgage Corp. Interests in Toronto purchased a controlling interest in the company and it is now conducting business without affiliation with any loan or savings company.

The company was chartered in 1913 and commenced business three years later. It has consistently paid dividends since that date.

Earnings during the past few years have been as follows: 1931, $9,667; 1930, 12,407; 1929, $13,128; 1928, $10,937. Total assets at the end of 1931 amounted to $2,400,000, of which estates under administration made up $1,912,166.

Officers and directors of the company are: J. Gray, pres.; W. Spittal, sec.; T. B. Holmes, manager; Dr. J. Dearness, W. Heaman and A. W. Peene.

WOODMEN OF WORLD MEET IN LONDON

Old Fraternal Society Has Members from Coast to Coast

Canadian Woodmen of the World was organized and commenced business in 1893 under a Dominion charter and, while being distinctly a Canadian order, enjoys fraternal relations with the Sovereign Camp, Woodmen of the World, with headquarters at Nebraska.

The head office of the company has always been located in London and the company does business from Montreal to Vancouver having a membership of more than 6,000.

Total assets at Dec. 31, were almost $2,000,000, total benefits paid to that date amounted to $3,350,000 and clear surplus over all liabilities stood at $360,778.

Clair Jarvis is head consul commander for Canada and P. C. Hooper is head clerk.

Grain Exports Increase

Grain exports from Saint John in 1931 were nearly 1,000,000 bushels in excess of 1930, the major portion of this grain having been shipped during the first four months of the year.

LONDON

CANADA

ASSEMBLING AND DISTRIBUTING ADVANTAGES

The great grade separation project costing millions of dollars is well under way. It modernizes London's unexcelled transportation facilities—Airway—Highway—Railway—Waterway.

EDUCATIONAL ADVANTAGES

In London are to be found leading educational institutions, the University of Western Ontario, Huron College, School of Medicine, Business Schools and London's Commercial High School, Collegiate and Primary School systems are admittedly second to none.

ATTRACTIVE ADVANTAGES

London's advantages in art, music, literature and in science make it one of the most desirable cities in the Dominion in which to live.

CULTURAL ADVANTAGES

Industrial leaders can come to London with their particular enterprise in the certain knowledge that London is a city in which they will enjoy living, in which they can rear their children among cultural advantages that are as nearly ideal as can be found in any city in Canada.

ECONOMIC ADVANTAGES

LONDON, CANADA, is therefore a city that will appeal to executives and engineers who are acting for business, commercial, financial and industrial enterprises, and who are interested in economic advantages.

STATISTICAL INFORMATION

Present Population	**73,173**
Five Years Ago	**66,132**
Area of Municipality	**7,231 acres**
Assessed Value for Taxation— 1931	**$86,817,764.00**
1932	**$88,160,956.00**
Total Debenture Debt	**$13,058,594.06**
Debt for Public Utilities, Water Works, Electric Light, London & Port Stanley Railway	**$4,378,135.36**
Profit After Deducting Operating Charges	**$580,426.38**

ALDERMEN

H. H. BOTTRILL
R. J. CARSWELL
F. H. CURRAN

L. H. DOUGLASS
G. B. DRAKE
CHAS. DYSON

J. I. HODGINS
J. W. JONES
F. B. KILBOURNE

J. N. McLEOD
N. F. NEWTON
S. E. WEIR

JAS. S. BELL, *City Treasurer* GEORGE HAYMAN, *Mayor* S. BAKER, *City Clerk*

WESTERN VARSITY CULTURE CENTRE, COMMUNITY ASSET

Growth is Rapid in Past Decade—Serves Population of 1,000,000

FOUNDED IN 1878

Contributes $1,000,000 Yearly to London's Wealth — Needs Gym and Library

By WALTER J. BROWN,
Executive Secretary,
University of Western Ontario.

Mayor George Hayman, efficient chief executive of the City of London, recently said that the University of Western Ontario is the most valuable of London's institutions. It is a source of strength at this time and is doing more for the city than people appreciate. To the citizens of London who are sensitive to the significance of public institutions, the University is regarded as a valuable economic asset with great possibilities for future development. It already contributes approximately $1,000,000 a year to the city's wealth; but it is more than this. It is a source of inspiration and culture.

The University takes its name from one of the most productive and stable areas on this continent. In the 14 counties of Southwestern Ontario, set aside by the Legislature as the University constituency, reside nearly 1,000,000 people. There are in this region one hundred secondary schools and more than a third of the secondary school population of the province. The men and women who have come from the homes of Western Ontario have made a contribution of the greatest value to the development of the nation. For the past seventy-five years or more they have provided leadership in church and in state, in business, in industry, in the professions and in social life. This section is not only wonderfully endowed by the character of its people, but Nature has also been bountiful.

Growth is Rapid

With such an environment and such a constituency it is scarcely any wonder that the University is making rapid growth. There were almost as many graduates at convocation in May, 1932, as there were students in the 3 faculties 12 years ago. Several departments have already reached their student capacities, but each year the enrollment increases. More candidates are applying for admission than can be accepted. The new buildings for the College of Art were opened only nine years ago and are already crowded. The question of providing more accommodation must soon be faced and solved. The University needs at once additional buildings to relieve the present congestion. The two that would perhaps help most at the moment are, first, a library building to house one of the most valuable collections of books in Canada, and secondly, a gymnasium or physical education house, which is badly needed to provide facilities for work during the winter months.

Gives Broad Service

The university was founded as an Anglican college in 1878, was reorganized and placed under provincial, municipal and public control in 1908 and was renamed for its constituency in 1923. It has now 1,500 regular students on its rolls and reaches a maximum of 15,000 people through its extension department. This is in addition to the laboratory and scientific service rendered to 200 or more municipalities. The university courses of study are standard. Its degrees are accepted as among the best and its graduates are giving a good account of themselves not only in Canada but in other parts of the British Empire and in foreign countries. The reasons back of the success of Western Ontario students are not difficult to find. They may be summarized as follows: (1) native talent; (2) good preliminary training; (3) personal attention during the early stages of their university course; and (4) hard work. When a Western Ontario student goes to another university for post-graduate work he often stands out among his classmates like a star of superior magnitude.

Has Good "College Spirit"

Another factor of importance in the development of the University of Western Ontario is "college spirit." This spirit manifests itself in the large number of student organizations, in inter-collegiate activities and perhaps in its most conspicuous form in athletics. This college spirit, without a doubt, helped Western Ontario last year to win the Intercollegiate Rugby Championship. It has helped greatly in all competitive games and promises to establish new ideals in university life throughout Canada. "Playing the game" is far more important than winning and sets up an ideal that is British in its essence.

It is easy at any time to over-emphasize the superficial trappings of an academic career, such as honors, awards, prizes, scholarships and degrees; but the value of accurate knowledge, mental discipline, a well-balanced training and a broad culture can scarcely be over-emphasized. These are the tools of life and enable men to grapple with the problems of their age and time and work out a solution.

Huron College Site Will Adjoin Western

The council of Huron College has decided to purchase about 35 acres adjoining the campus of the University of Western Ontario on the west. This beautiful site will enable Huron College to become a part of the university landscape beautification scheme.

It is proposed that Huron College buildings will be of collegiate gothic type of architecture faced with Credit Valley sandstone. They will be joined to the main building of the College of Arts by a mall 100 feet in width.

London's Industries Are Well Diversified

(Manufacturing Statistics for 1930 from Dominion Bureau of Statistics)

Industry	No. of Establishments	Capital Invested	No. of Employees	Salaries and Wages Paid	Cost of Materials Used at Works	Selling Value of Products at Works
Coffee and Spices	3	$ 550,082	123	$ 160,952	$ 510,308	$ 855,182
Flour and Grist Mills	3	311,347	32	40,530	720,095	791,284
Bakeries	32	613,265	317	345,689	684,080	1,396,732
Biscuits and Confectionery	5	4,269,375	839	718,027	1,835,649	4,866,505
Cigars and Cigarettes	8	377,378	111	96,547	109,739	338,120
Harness and Saddlery	4	55,449	10	9,169	7,225	20,560
Leather Boots and Shoes	3	1,036,724	434	500,252	728,193	1,505,138
Creameries	4	472,980	119	151,664	830,739	1,540,074
Hosiery and Knit Goods	7	2,999,058	960	927,447	1,618,066	3,395,547
Men's Furnishing Goods	3	104,214	33	24,881	45,079	81,452
Awnings, Tents and Sails	3	71,269	31	29,997	43,853	92,451
Paper Boxes and Bags	6	1,561,567	270	291,808	652,804	1,289,200
Job Printing and Bookbinding	17	467,951	105	126,760	67,458	271,161
Printing and Publishing	4	687,186	327	529,493	289,996	1,324,509
Lithographing and Engraving	6	2,264,073	479	605,554	888,273	2,114,226
Planing Mills	3	256,191	74	104,883	148,356	288,935
Furniture	6	182,307	54	53,941	74,383	199,966
Sheet Metal Products	5	2,667,672	374	409,255	359,731	1,124,306
Brass & Copper Products	3	635,203	257	368,392	148,342	782,510
Electrical Apparatus	3	904,255	162	246,899	189,511	1,552,870
Monumental and Ornamental Stone	3	83,402	24	40,494	35,641	106,478
Concrete Blocks	9	30,486	14	11,765	11,580	30,727
Aerated Waters	6	189,714	38	37,888	48,828	152,148
Medicinal & Pharmaceutical Preparations	5	186,205	42	45,472	72,480	226,893
Dyeing	6	276,286	108	117,623	31,626	255,845
Laundries	3	425,941	141	116,858	23,577	241,712
All other vegetable products	7	7,370,814	521	713,412	2,562,795	8,453,780
All Other Animal Products	6	2,373,586	291	372,082	1,089,548	1,754,835
All Other Textile Products	9	824,604	308	299,053	367,390	744,868
All Other Wood & Paper Products	13	1,005,448	250	277,745	590,169	1,066,359
All Other Iron & Steel Products	17	7,967,917	2,031	2,604,181	2,293,192	5,866,745
All Other Non-Metallic Products	5	1,642,179	238	314,531	393,005	998,126
All Other Chemical Products	4	299,561	51	69,902	259,993	500,728
All Other Miscellaneous Products	7	3,675,121	198	251,224	54,798	1,267,102
Totals for 1930	228	$46,838,810	9,366	$11,014,370	$17,786,502	$45,497,024
Totals for 1929	231	$47,413,765	10,134	$11,996,633	$21,102,010	$50,346,829
Totals for 1928	227	$45,123,339	9,716	$11,425,574	$20,878,152	$48,337,680

CITY GAS SERVES 14,000 CONSUMERS

Issue of First Mortgage Bonds Only Public Interest

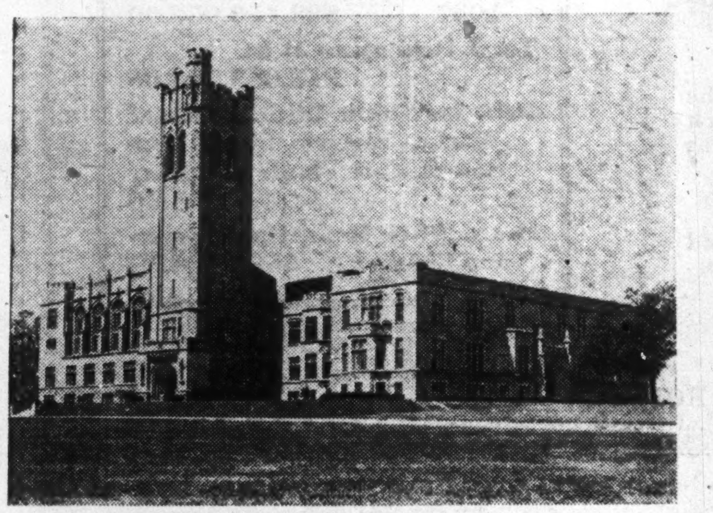
London's gas system is not owned by the city as are the hydro-electric and water systems but the city receives excellent service from the City Gas Co. of London, which commenced business as a private concern and was taken over in 1930 by Union Gas Co. of Canada, Ltd.

City Gas Co. serves approximately 14,000 consumers under a perpetual franchise. It owns and operates a coal gas plant and a stand-by water-gas plant and has a gas holder with a capacity of 600,000 cubic feet.

In April, 1927, the company made an issue of $250,000 6 per cent first mortgage sinking fund bonds and, while the common stock is all owned by the Union Gas Co., most of this bond issue is still outstanding.

Accounts of the company are consolidated with those of the parent concern which, for the year ended March 31, 1931, showed a net profit of $2,500,000 and a surplus of $87,000 after paying all interest and dividends on bonds, preference and common shares of subsidiaries.

London's Seat of Higher Learning



The main arts building of University of Western Ontario also contains the executive offices and library of the university.

The University of Western Ontario, London

Established in 1878 Reorganized in 1908
Renamed in 1923

The University is under provincial, municipal and public control. It is undenominational and coeducational. It has three faculties (Arts, Medicine and Public Health) and five affiliated colleges (one Anglican, one Lutheran, one United Church and two Roman Catholic). The Degrees granted are: B.A., M.A., B.Sc., M.Sc., LL.B., M.D., D.P.H., etc. There were 224 degrees granted in May, 1932.

The courses in Arts run from three to five years.

The course in Medicine runs for six years.

The post graduate courses in Public Health and Nursing run for one year.

There are 1,552 regular students enrolled in degree courses. Two hundred are attending the summer school. Fifteen thousand people are reached through the Extension services.

The Research work being done by the University is of outstanding significance. Help to finance this work is being given by the National Reasearch Council, by the Banting Foundation, by the Dominion Sugar Company and by the London Life Insurance Company.

Through athletics, field sports, physical and literary education the University makes a direct contribution to the health and general welfare as well as social development of every school boy and girl in Western Ontario.

SLOWER BUSINESS CUTS DOWN SALES OF GENERAL STEEL

Large Economies Are Made in Hope of Offsetting Losses

General Steel Wares, because of the severe business depression which followed two years after the incorporation of the company under Dominion laws in 1927, has been conducting business at a considerable loss in 1930, 1931 and in 1932 to date. Drastic economies made in 1931 are expected to ameliorate the situation somewhat for the current year. The chief need of the company, however, is an acceleration of business activity to enable it to dispose profitably of its enamel, aluminum, nickel, copper and sheet metal kitchen utensils, stove pipes, lanterns, milk cans, eavestrough, plumbing fixtures, tins and pails of all descriptions, metal signs and name plates, shovels, steel sinks and wash basins, ice boxes, refrigerators and a full range of hotel equipment supplies and soda fountain equipment.

The company also manufactures electric, gas, coal and wood ranges, heating stoves of all descriptions and warm air furnaces. It owns and operates the largest stove factory in the British Empire.

Has Two London Plants

The company was formed under Dominion laws in 1927 to acquire and operate the McClary Manufacturing Co., whose business dates back to 1847, the Thomas Davidson Manufacturing Co., established in 1858, and the Sheet Metal Products Co. of Canada, established in 1867, the Macdonald Manufacturing Co. Ltd., and the Happy Thought Foundry Co. Ltd. Subsequently the company acquired E. T. Wright of Hamilton and McLaughlin-Fletcher Soda Fountains in 1928 and control of A. Aubry & Co. of Montreal.

As a result of the merger it has two plants in London, besides a plant recently closed in Brantford, two plants in Toronto and plants in Montreal, Winnipeg and Vancouver. The entire organization of Happy Thought Foundry Co. at Brantford was moved to London, Ont., at the outset of the current year.

Funded Debt is High

To counter the effect of the business depression inventories were reduced by more than $1,000,000 through more effective concentration of stocks and disposal of surpluses in 1931. This adversely affected operating results. The company maintains a high working capital which, however, requires rather active business to liquidate profitably as the current assets of $5,416,574 had as chief item inventories of $3,909,400 and accounts receivable, less reserve, of $1,428,225. At the end of 1931 the company owed the bank $630,448 and this is the chief current liability. Funded debt was, however, high at $8,679,000.

The general reduction in selling price of commodities caused a considerable decline in sales volume. It is stated that the annual rate of savings effected in 1931 was about $1,000,000, but that the full effect would not be felt until 1932. For further assistance on the financial end through this difficult period Gordon W. Scott of P. S. Ross & Sons, chartered accountant, was appointed to the board of the annual meeting in March. P. S. Ross & Sons, who had been auditors, thereupon retired in accordance with the requirements of the companies act.

Stability Shown By Mutual Award

London's stability during the present disturbed economic conditions is vividly demonstrated by the fact that the London branch of the Mutual Life Assurance Company of Canada won the President's Cup for 1931.

This cup is awarded annually to the branch having the best record under three counts, viz.: percentage of quota; low lapse ratio; and organization.

London Calling

Above is pictured the radio studio and control buildings of London's own radio station, CJGC, owned and operated by the London Free Press.

STEADY PROGRESS OF ONTARIO LOAN SHOWS STRENGTH

Assets of This 60-Year-Old Company Grow from Year to Year

Ontario Loan & Debenture Company, in point of gross assets, is one of the largest of Canadian mortgage companies.

The company loans on first mortgages in Ontario and throughout Western Canada, including British Columbia. At the end of 1931 the value of real estate held for sale, acquired through foreclosure, was only $79,430 as compared with an amount of $11,528,002 loaned on first mortgages.

Incorporated in 1870, this company has steadily progressed, aiding and profiting by the rapid expansion of the Dominion and adding to the financial strength of London.

In addition to loaning on first mortgages the company takes savings deposits and sells debentures in currency in Canada and in sterling in Great Britain. Investment of its surplus funds are invested in Dominion and provincial bonds and other high class securities specified in the Loan and Trust Corporations Act of Ontario.

Two years ago the directors of the company were almost wiped out by death within a few months, four of the seven members of the board succumbing. However, an exceptionally capable group of men have been elected to take their places, including John G. Richter, and A. McPherson, of the London Life.

Directors are as follows: John G. Richter, president; Archibald McPherson, vice-president; Thomas H. Main, manager; Arthur T. Little, J. McClary Gunn and O. Roy Moore, all of London.

Total assets at Dec. 31, 1931, were $13,644,182, of which over $11,500,000 was invested in first mortgages and more than $1,500,000 in government and municipal bonds.

Net earnings for the year amounted to $305,907 as compared with $315,223 in the previous year. After provision for income tax and payment of dividends at the rate of 12 per cent, the surplus for 1931 was $37,841 as compared with $66,866 for 1930. Subscribed capital of the company is $2,000,000 against which there is a reserve fund of $3,200,000.

THAYER'S EXPANDS INTO TORONTO AREA

Oil Distributing Company Does Business Only in Ontario

Thayers, Ltd., which has been engaged since its incorporation under Ontario laws in 1928 in the wholesale and retail distribution of gasoline, kerosene and lubricating and fuel oils through a chain of service stations in Southwestern Ontario, has its head office in the Dundas building, London, Ont.

In 1929 the company entered into an agreement with the Sinclair Oil Corp., whereby it became the distributing agent for that company in Ontario.

The company publishes no profit and loss statement and no balance sheet has been made available to the general public since 1929. It had then no funded debt and since then it has been able to maintain dividends on its 10,000 shares of $3.50 cumulative no par value first preference stock.

Early in 1931 it was reported that net profits before depreciation for 1930 had been almost four times preferred dividend requirements or, in other words, $140,838.

In 1932 the company entered the Toronto area and opened an office. It had previously entered and established itself in the Niagara Peninsula and additional outlets have been added in Toronto during 1932. Earnings in 1931 are understood to have shown a decrease, but it is stated that the liquid position of the company had materially improved.

The company has reported no funded debt and its outstanding capitalization consists of 10,000 no par value $3.50 cumulative first preference stock, 50 shares no par value 2nd preference stock and 50,000 no par value common shares. No dividends have been paid on second preference and common shares as yet.

EARL A. SIEGRIST DUNCAN A. ANDERSON

Because the Bondholder is entitled to know . . . . . .

of the standing of his investment, his goodwill is held, or lost, by the degree of watchfulness exercised in his behalf.

Investment Service, to be of value, must be dependable, must be continuous, and must be governed by a genuine desire to serve.

Fortunate the investor who has found this type of service. He has a sense of security foreign to the holder of nondescript investments of which little is known as the house from whom they were bought.

In what class are your investments?
In what class is your Service?

We have built an organization "to serve" but we offer its complete service only to the investor who is not satisfied with a service that stops with the delivery of a bond.

We invite your inquiries for investment service.

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London, Ontario

Telephone
METCALF 3370-1

Sound Investment Counsel

THE ONTARIO LOAN AND DEBENTURE COMPANY
London - - Ontario
Incorporated and Established 1870

Capital $2,000,000 Reserve Fund $3,200,000

Assets
(31st December, 1931)
$13,644,182.53

Surplus of Assets over Liabilities to the Public
$5,333,543.15

THE ONTARIO LOAN & DEBENTURE COMPANY

DIRECTORS:
John G. Richter, President
Archibald McPherson, Vice-President
Arthur T. Little
Thomas H. Main
J. McClary Gunn
O. Roy Moore

MANAGER:
Thomas H. Main

4% PAID ON SAVINGS DEPOSITS
subject to withdrawal by cheque

5½% DEBENTURES ISSUED

Interest payable half-yearly by coupons or, under accumulative debentures, may be left to accumulate at compound interest until maturity.

The Company's Debentures are a legal investment for Trust Funds, which may also be deposited in the Company's Savings Department.

◆ ◆ ◆ ◆

Offices: —Dundas Street at Market Lane, and Market Square at Market Lane, London, Ontario

Huron and Erie Loan Is Well-Known Name Throughout Canada

Maintains Offices in Most of Large Cities East of Toronto

HEAD OFFICE LONDON

Opening of Magnificent New Head Office Building on June 8, 1931, Marked 67th Birthday

From Toronto west to Victoria is the field of the Huron & Erie Mortgage Corp. and in most of the principal cities of this area the corporation has offices from which it carries on the business of lending money on first mortgage security and operating deposit and debenture accounts.

The head office of the corporation in London is one of the show places of the city. This magnificent nine storied building was completed in June, 1931, and by virtue of its newness and spectacular architecture is a dominating feature of the down-town section of the city. Five of the nine floors are occupied by tenants and the remainder by the corporation and its subsidiary company, the Canada Trust Co.

Spectacular Floodlighting

Before completing arrangements for the construction of the main banking floor of this building the corporation asked twelve of its largest customers whether they favored the tellers' cages which are a feature of our banks or whether they preferred to do business over a counter. Eleven of the twelve expressed a preference for open counters and the interior was so designed, thus following the modern trend in architecture of this kind. Spectacular floodlighting makes this building particularly outstanding at night and the revolving Sperry light and airport beam on the two towers can be seen for many miles around.

In addition to this new building the corporation owns three other buildings in London in which branch offices are housed and also the buildings which house the branch offices in Toronto, Winnipeg, Windsor Chatham, St. Thomas and Hamilton. Branch offices are also maintained in Regina, Edmonton, Victoria and Vancouver.

New East London Building

In September, 1931 the corporation's East London branch was moved into new premises. Following the system in operation in the new head office building, the counters in the main banking floor are of the open type and the building generally is equipped with the most modern facilities for the clients of the corporation and its subsidiary, the Canada Trust Co., which shares the main floor with the parent concern.

Steady growth is reflected in the history of the corporation.

On Dec. 30, 1930, the corporation came to an agreement with the Peoples Loan and Savings Corp. whereby the corporation took over the assets of that concern. In Feb., 1932, the business of its subsidiary, the Premier Trust Co., was sold to Toronto interests.

Earn Dividend in 1931

While earnings of the corporation were down considerably in 1931 from $511,615 to $400,490, this latter amount was sufficient to cover dividend requirements of 8 per cent on the capital stock.

Assets have practically doubled during the past ten years, the total amount at the end of 1931 being $47,806,697, and have increased consistently every year during the present century.

Officers and directors are as follows. Hume Cronyn, president; Hon. S. C. Mewburn, vice-president; Morley Aylsworth, general manager; D. McEachren, secretary; C. J. Clarke, treasurer; H. W. Givins, superintendent of Western branches.

Directors: T. G. Meredith, chairman; Hume Cronyn, Morley Aylsworth, H. E. Gates, George H. Belton, N. R. Howden, Col. Ibbotson Leonard, V. P. Cronyn, all of London; Hon. S. C. Mewburn, Hamilton.

London District Ranks Third on Income Tax

The financial strength of London and the surrounding district is fully evidenced by the fact that the London district ranks only after Montreal and Toronto in volume of income tax payments to the Dominion government. In the fiscal year ended March 31, 1932, net collections in the London district compared with $19,491,953 in Montreal and $17,040,709 in Toronto with Hamilton close behind with $4,910,920.

Collections in the first two months of the current fiscal year are reported at $3,695,238 or some 73 per cent of the total collected in the year ended March 31, 1932. Collections in the first two months of the current year are but $113,079 below collections in the same period of 1931.

CANADA TRUST HAS PROSPERED WITH PARENT CO.

Huron & Erie Subsidiary Shares Parent's Offices Throughout Canada

Formed in 1899 by the Huron and Erie Loan and Savings Company, which later became the Huron & Erie Mortgage Corp., the Canada Trust Company took over the General Trust Corporation of Canada which had been incorporated in 1894.

Canada Trust Company has prospered along with its parent company, the offices of which it shares throughout Canada. In addition, in 1931, it opened an office in Montreal to look after its growing trust business in that city.

The company exercises all the powers, duties and functions of trustees and, in 1922, extended its operations to include receipt of money on deposit.

The paid-up capital of the company is $1,000,000 against which a reserve of $850,000 has been built up. Total assets, net earnings and surplus for recent years are as follows:

	Total Assets	Surplus	Net Earnings
1915	$ 6,271,869	$57,009	$117,003
1920	11,088,023	24,885	164,396
1925	17,174,766	18,848	129,376
1929	29,068,626	30,887	148,508
1930	27,947,085	32,081	148,915
1931	30,278,811	8,078	131,959

Net profits in 1931 were down somewhat from the previous year but at $108,078 were sufficient to cover the payment of 10 per cent on the capital stock. Net profit for the previous year was $132,081 and $108,848 in 1925.

Officers are identical with those of the parent company. Recent additions to the board of directors include the following: Lt.-Col. Claude Brown and A. R. Cairncross of London and W. H. Gardner of Winnipeg.

Complete list of directors is: T. G. Meredith, K.C., chairman; Hume Cronyn, V. P. Cronyn, H. E. Gates, Morley Aylsworth, George H. Belton, N. R. Howden, Col. I. Leonard, Lt.-Col. Claude Brown and A. R. Cairncross, all of London; A. R. Barlet, K.C., Windsor; J. B. Davidson, St. Thomas; C. H. Houson, Chatham; S. F. Washington, K.C., Hamilton; W. H. Gardner, Winnipeg.

Coats Declares London is Typical Canadian City

"London," declared R. H. Coats, Dominion statistician, in an analysis of the last decennial census, made in 1921, "is a microcosm of Canadian city life, one of the most typical of Canadian cities, a community backed and surrounded by a prosperous agriculture, to which it sells and for which it manufactures, at the same time reaching out to the markets of the world.

"London is the commercial capital of southwestern Ontario, as rich an agricultural country as exists in Canada—or anywhere else."

NORTHERN LIFE LONG ESTABLISHED LONDON COMPANY

Company's Coupon Savings Plan Policy Only One of Its Kind

Northern Life Assurance Co. is another insurance company with home office in London. It operates under a Dominion act of parliament and has been doing business since 1897. Offices are maintained from coast to coast in all the principal cities, the company having about 400 employees, more than 60 of whom are in the City of London.

Most of the business on the company's books has been written under the coupon savings plan which is unique to this company. This plan guarantees annual dividends at the time of payment of the second premium and annually thereafter which act to reduce the amount of the premium.

Commencing July 1, 1932, the company will, however, concentrate on selling policies of a different nature as at that date a new group of policies, known as the Super Service series, will be introduced. These policies, which indicate a change in the company's policy by the new general manager, G. W. Geddes, who was appointed in April, 1932, are designed to appeal more to business men than the former groups. The company plans to concentrate more on the centres around the home offices, particularly London and Toronto, without withdrawing from any other points where it does business at present.

Business in force at Dec. 31, 1931, totalled $53,196,000 as compared with $58,000,000 in force at the end of the previous year. Despite this reduction in the amount of business in force, however, the company showed a stronger financial position than at the end of 1930, the capital impairment of $113,600 of that date being turned into a surplus of $6,000.

Total assets of the company amount to $8,873,300 as compared with $8,334,700 at the end of 1930,

Progress of the company is shown by the following table:

	Total Income	Total Assets	Insurance in Force
1900	$ 70,315	$ 253,894	$ 2,065,200
1905	174,806	586,587	4,673,488
1910	319,849	1,435,830	7,009,599
1915	511,155	2,522,375	10,401,232
1920	955,393	3,656,985	22,190,672
1925	1,228,655	5,461,791	27,800,777
1930	2,372,009	8,334,715	58,000,000
1931	2,299,584	8,873,317	53,196,000

Directors of the company are all Londoners. The president is R. G. Ivey, and W. E. Robinson is vice-president. Other directors are Ray Lawson, Major A. T. Little, J. E. McConnell, John S. Moore, Major Gordon J. Ingram, Frank A. McCormack, Dr. Septimus Thompson and J. Gordon Thompson.

General manager is G. W. Geddes, assistant manager and actuary, C. R. Bissell, and medical referee is W. A. Thomson, M.D.

Open Counters at Huron & Erie

There are no tellers' cages at the new head office of the Huron & Erie Mortgage Co., customers transacting business in the savings department across wide counters. This type of counter was incorporated in the new building on the recommendation of 11 of 12 large customers whose opinion was asked.

We Maintain Facilities
To Render You
Complete Investment Service

◆

ISARD, ROBERTSON & COMPANY
LIMITED
Huron and Erie Building
London, Ontario
TELEPHONES MET. 480-1-2

HOTEL LONDON
LONDON, ONTARIO, CANADA

ON THE MAIN HIGHWAY BETWEEN DETROIT AND NIAGARA FALLS

350 Outside Rooms
Rates $2.50, $3.00, $3.50, $4.00
COFFEE SHOP
GARAGE ACCOMMODATION
GOLF PRIVILEGE
R. A. LUSSIER, Manager

CANADA BISCUIT IS REORGANIZING AS BONDS DEFAULT

Protective Committee Suggests New Manager for Long Established Firm

Canada Biscuit Co. for which a plan of reorganization was recently prepared, has two of its seven subsidiaries established in London. The key company in the merger under Dominion laws in 1926 was McCormick Manufacturing Company of London, which was established in 1858. In 1926 Canada Biscuit also purchased outright the business and assets of D. S. Perrin & Co. of London, Ont., who also manufactured plain and fancy biscuits. In recent efforts to economize, manufacturing operations of the latter company have been discontinued in their own plant and are now conducted in the McCormick plant. Popular trade names and products of both companies have been continued.

Othere companies taken into the merger were: Paulin-Chambers Co. of Winnipeg, J. A. Marven of Moncton, Montreal Biscuit Co., North West Mill & Feed Co., North West Biscuit Co. of Edmonton.

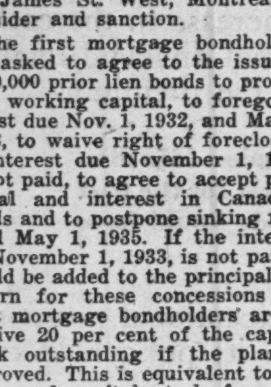
Combined sales of the merger companies for the seven years to December 31, 1925 averaged $8,000,000 and since then sales have been as follows: 1926, $8,907,130; 1927, $8,691,590; 1928, $8,124,650; 1929, $8,943,477; 1930, $8,167,012.

As 1931 continued, directors of Canada Biscuit Co. found the question of profitable operation becoming acute. With many old and tried and favored lines of plain and fancy biscuits, confectionery, ice cream cones and allied products the company managed to maintain sales in quite large volume, but growing price competition, expansion by competitors and expenses of one kind and another reduced the profits to a level where payment of bond interest became a matter of anxiety.

Ross Appointed Manager

Failure of the company to pay interest on the 6½ per cent first mortgage bonds, outstanding to the extent of $1,924,500, led to the calling of a meeting of bondholders for July 5, 1932, at the office of the trustee, the Royal Trust Co., 105 St. James St. West, Montreal, to consider and sanction.

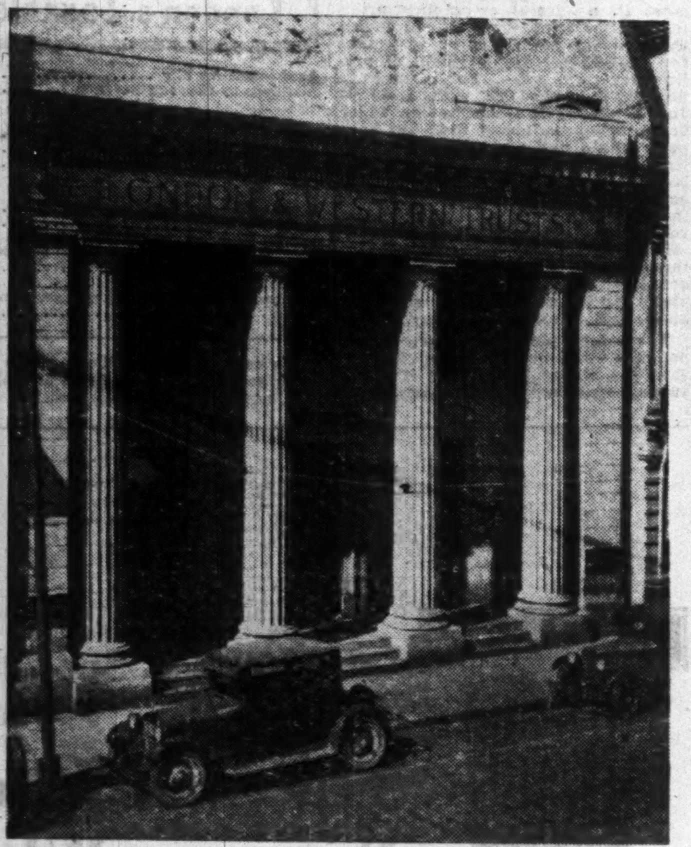
The first mortgage bondholders are asked to agree to the issue of $300,000 prior lien bonds to provide new working capital, to forego interest due Nov. 1, 1932, and May 1, 1933, to waive right of foreclosure if interest due November 1, 1933, is not paid, to agree to accept principal and interest in Canadian funds and to postpone sinking fund until May 1, 1935. If the interest on November 1, 1933, is not paid it would be added to the principal. In return for these concessions the first mortgage bondholders are to receive 20 per cent of the capital stock outstanding if the plan is approved. This is equivalent to ten shares of capital stock for each $1,000 of bonds now outstanding. It is proposed that the existing preferred and common shares would be cancelled and replaced by an issue of 89,000 no par shares



DR. L. H. DOUGLAS

Chairman of the so-called No. 1 committee of the London city council, which concerns itself primarily with financial problems.

Doric Columns Stand Out



Head office of the London & Western Trusts Co., situated on Richmond Street in London. Its unique style of architecture makes it stand out from the surrounding buildings.

London, Western Trust Serves Leading Cities

Most of Expansion Has Taken Place During the Past Three Years, Record Shows

One of the outstanding financial institutions of London is the London and Western Trust Co. Under the supervision of John S. Moore, general manager, and a strong board of directors headed by Arthur T. Little, this company has made rapid and substantial progress since its incorporation in 1896.

In 1900 the capital of the company was $100,000, there was no reserve and the assets under administration totalled $500,000. In 1925 the capital was $500,000, the reserve was $350,000, and the assets under administration totalled $16,403,000. In 1931 the capital subscribed was $1,181,000, the reserve was $856,020, and assets under administration totalled $38,771,478.

At the beginning of 1930 the company opened offices in Winnipeg, Saskatoon and Edmonton, as a result of taking over the business and assets of the Standard Trust Company, of Winnipeg. Other offices are maintained at Toronto, Vancouver and Calgary.

Does Not Accept Deposits

The trust company as constituted today is empowered to accept deposits. The majority of them do so but the London & Western has adhered throughout to its original policy of doing only trust company business, that is, acting as executor, administrator, guardian, trustee, financial agent, etc.; it has never received nor sought deposits.

Two new members have been re-recently added to the staff of the company in H. G. Law, publicity officer and field man, and Colin M. Govan, in charge of collections at Winnipeg. These additions to the staff, said J. S. Moore, portend a resumption of the aggressive campaign after new business which has been halted during the past two years owing to depressed conditions.

Management

Officers of the company are: A. T. Little, chairman of the board; W. W. Evans, president; Rt. Hon. Arthur Meighen, K.C., vice-president; John S. Moore, general manager.

Directors are: G. H. Aikins, K.C., G. Montagu Black, R. T. Evans, Winnipeg; C. H. Carlisle, W. C. Evans, Rt. Hon. Arthur Meighen, K.C., Harold F. Ritchie, Sigmund Samuel, Toronto; C. V. Cummings, Maj.-Gen. J. W. Stewart, W. J. Blacke Wilson, Vancouver, B.C.; Geo. C. Gunn, Ray Lawson, Arthur T. Little, A. McPherson, John S. Moore, London, Ont.

Net earnings for 1931 totalled $121,573 as compared with $91,966 in 1930 and $125,668 in 1929. These amounts were sufficient to cover dividends and premises write-offs and leave a surplus at the end of 1931 of $5,435. The current dividend rate is 8½ per cent on the paid-up capital.

WESTERN SHOW YEAR'S BIG EVENT IN LONDON AREA

Attendance During Six Show Days Reaches 200,000

Western Ontario residents always look forward to the Western Fair as one of the biggest events of the year and attendance during the six show days has grown in recent years to almost 200,000.

This fair, which will this year be held from Sept. 12 to 17, is one of the finest of its kind in the country. Nearly every phase of agricultural and commercial life is here gathered together, the entries and exhibits growing consistently from year to year.

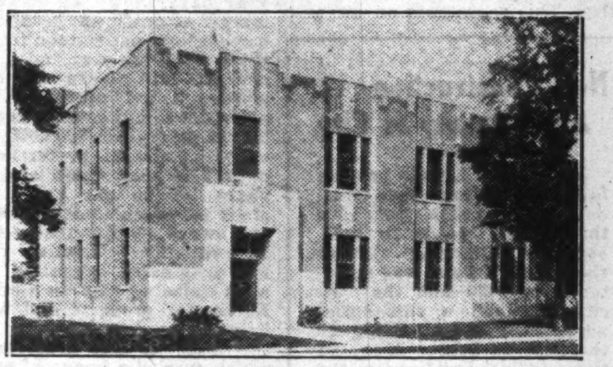
Although agricultural products, particularly livestock for which Western Ontario is noted, predominate in extensive displays, the fair has a fine reputation among manufacturers as a selling exhibition, the high per capita wealth of the district placing it on a par with exhibitions much larger in features and attendance.

More than half a million dollars have been spent on permanent buildings since 1924 and further livestock accommodation is still planned. In addition, during this period, considerable money has been spent on paving and general improvements.

Prize money to the extent of about $30,000 is offered by the association, the main portion of which goes to the livestock section.

Executive officers of the Western Fair Association are: J. H. Saunders, president; W. E. Robinson, first vice-president; Hon. E. S. Little second vice-president; W. D. Jackson, secretary; George S. Jewell, treasurer.

The London Free Press
Western Ontario's
Foremost Newspaper



A Symbol of Scientific Progress

The Bell Telephone repeater station at Oxford and Colborne Streets, London, is a symbol of the progress that science has made in perfecting telephone communication over great distances.

The vacuum tube repeaters and associated apparatus housed in this building serve to strengthen the feeble electric currents which transmit the converted sound waves set up by the voice, sending them on their way reinvigorated and preserving all their tonal qualities without distortion.

London, as a strategic telephone centre, is an appropriate point for a telephone repeater station.

The Trans-Canada Telephone System—the all-Canada voice route from the Atlantic to the Pacific—is equipped with 22 repeater stations along its route.

Not only in mechanical and electrical equipment but also in operating methods, long distance telephone service has made great strides in recent years. Today, upwards of 93 per cent of all connections are established while the calling party remains at the telephone. From somewhat more than six minutes in 1923, the time required to complete the average long distance call has been reduced to a little over 1½ minutes.

THE BELL TELEPHONE COMPANY OF CANADA
LONG DISTANCE TELEPHONE

Every Bell Telephone is a Long Distance station.

SALES INCREASE BY KELVINATOR BOON TO LABOR

Unit Output 30 p.c. Ahead of Last Year — Has Fine Plant

One of the largest manufacturers of electric refrigeration in Canada, Kelvinator of Canada, Ltd., has experienced an increasing domestic demand for its products with the result that the payroll has doubled during the past year and the company has turned out 30 per cent more refrigerating units.

The company manufactures Kelvinator and Nizer electric refrigeration units in London and maintains three retail distributing branches at Montreal, Toronto and Hamilton. In addition to a trans-Canada distribution for its products, it also sells to the export market and has selling rights for the British Empire. During the past year the chief volume of sales has been in the domestic market. The manufacturing plant at London is quite modern and during May, 1932, the peak of the season, over 140 people were employed in the factory and office. This represents an increase of some 40 per cent over the 1931 peak.

Within a short time the company will handle "Rightway" automatic oil burners and now handles "Electrochef" electric ranges in addition to some 17 lines of electric refrigeration. While sales in the past year have shown an increase, the margin of profit has been lower and earnings are understood to be under the level of the year ended September 30, 1931, when the company showed a net profit of $130,069 after depreciation and income tax. The company has $662,000 of 7 per cent cumulative preference stock with $100 par value and 100,000 shares of no par value common stock of which some 74,000 shares are owned by Kelvinator Corp. of Detroit. The Canadian company was originally organized in 1924 as a sales agency in Canada for Kelvinator products and was publicly financed in January, 1926, by the issue of the preferred stock which carried a bonus of one share of common with each share of preferred. Dividends on the preferred stock have been paid regularly since the stock was issued, although from 1927 to 1930, inclusive, these dividends were paid by the parent company under its guarantee.

Population Shows Consistent Growth

London became a town in 1848 with a population of 4,668; a city in 1854 and in 1861 the population numbered 11,551 people. In 1931 the assessor gave the city a population of 73,173 while Ottawa said 71,022. Growth has been steady and consistent as the following figures show:

Year	Population
1848	4,668
1851	7,035
1861	11,551
1871	18,000
1881	26,266
1891	31,977
1901	37,976
1911	46,300
1921	60,959
1926	64,293
1931	73,173

New Construction Adds Beauty to City

Building in London has not failed to follow the trend downward which prevailed throughout Canada in 1931, but the following figures show that a gain was registered in 1930 and that the city has had a substantial amount of new building in the past 10 years. Many of the principal buildings in the city were constructed during this period.

Year	No. Permits	Value
1910	882	$ 805,074
1915	1235	1,207,630
1920	1190	2,146,305
1921	1463	2,527,510
1922	1752	2,605,630
1923	1730	3,261,065
1924	1511	2,113,500
1925	1327	2,389,800
1926	1210	3,621,200
1927	1085	2,814,950
1928	1122	2,561,705
1929	1060	2,408,900
1930	1040	2,744,735
1931	888	1,446,900
1932 (to May 30)	260	330,655

Special Assistance For London Policyholders

Two new plans for offering special assistance to policyholders unable to continue their insurance payments are announced by the London Life in order to maintain business in force if at all possible.

The first plan is for lapsed policies. When the second premium becomes due and the policyholder is unable to meet it, a special emergency privilege will be allowed which will enable the policyholder to carry insurance for another year by payment of preliminary term rates. For instance, a policyholder aged 33 with a $5,000 Jubilee 20-pay life contract on which one year's premium of $140 has been paid, would under this special privilege be allowed to continue his protection by a deposit of $36. At the end of the year, or before, if desired, the policyholder may put the original policy in good standing by paying the difference in the premium with interest, or he may have his policy redated, or the plan changed so as to place his insurance on a permanent basis with a minimum outlay.

The second plan is for surrendered policies. The circumstances in this case are where the policy is being surrendered because the policyholder needs cash and is unable to meet the premium called for under his plan. The new privilege will allow the policyholder to continue his protection under a one-year term policy.

London's Taxable Assessment, 1931-32

	1931	1932
Assessment for city	$86,603,167	$88,176,259
Additions by Court of Revision	451,010	501,709
	$87,054,177	$88,677,968
Reductions by Court of Revision	237,738	422,942
Exemptions, Hotel London	414,625	607,125
City property tax sale	......	94,070
	$ 652,363	$ 1,124,137
Total assessment for general rates	$86,401,814	$87,553,831
School rates only	414,625	607,125
Total assessment for school rates and patriotic tax	$86,816,439	$88,160,956
Separate school assessment	$ 6,009,250	$ 5,962,694
Public School Assessment	$80,807,189	$82,198,262
Increase in taxable assessment over previous year, general	$ 1,789,789	$ 1,150,693
School	$ 1,789,839	$ 1,343,192

Show Place of London

The magnificent new head office of the Huron & Erie Mortgage Co., which was completed in June, 1931, and embodies all the latest ideas in architecture and interior designing. The first four floors and basement are occupied by the mortgage company and its subsidiary, the Canada Trust Co.

A Special Message for

The Man Who Wants Good Returns When He Buys Life Insurance

POLICYHOLDER 28946 purchased a 20-Pay Life policy 18 years ago (at age 37). *For the past 12 years he has been receiving more by way of increase in the cash value of the policy and annual dividend combined, than the amount of his premium.* He now has a sum of cash to his credit greater by $115.29 than the total amount of his 18 annual premiums and, in addition, he has had $3,000 life insurance protection throughout all these years.

And the results are growing more gratifying year by year! For instance, although the premium is only $115.80, the increase in the cash value this year plus the annual dividend totals $174.72—51% greater than the premium.

NOTE—If the present London Life dividend scale had been in effect for the past 18 years the total dividends would have been even greater.

The London Life is in an exceptional position to give gratifying results to its policyholders.

Established 1874

London Life Insurance Company

"Canada's *Industrial-Ordinary* Company"

HEAD OFFICE - LONDON, CANADA

London Life Company Boosts City's Name Throughout Dominion

Conducts Large Industrial as Well as Ordinary Business

SOUND MANAGEMENT

More Than Half a Million Policyholders in Canada and Newfoundland

By the recent opening of branches in the Maritimes to sell ordinary business, the London Life Insurance Company now conducts business in both its ordinary and industrial departments, from coast to coast. Not only that, but this London company is the largest insurance company in Canada which conducts all its business within the boundaries of the Dominion and Newfoundland.

Chartered in 1874, the progress of the company was slow at the start and in 1910 the total amount of assurance in force amounted to only $16,795,000. Eleven years later this total passed the 100 million mark and, by the end of 1931, the total in force amounted to $461,207,418.

As at Dec. 31, 1931, the company had a total of 534,278 individual policies in force, divided as follows: ordinary, 110,068; group (covering 34,560 employees) 419; industrial, 423,791. The assurance in force was distributed as follows:

Ordinary	$266,999,512
Group	37,623,632
Industrial	156,584,274

As the figures indicate, the company transacts business on a broad basis. The original charter was granted to write ordinary non-participating life and accident business. In 1885, when the Dominion charter was obtained, the accident business was dropped in favor of participating business.

In 1887, an important step was taken when industrial, or weekly premium insurance, was added. This department contributes one-third of the total volume of business at present and the annual amount sold during the past few years has exceeded the amount of other insurance.

So fast has the company's business grown during the past few years that it has already, to some extent, outgrown the new head office building which was only completed in 1928 at a cost of $1,000,000, some of the staff being housed elsewhere in the city.

Comparative figures of business written during the past two years follow:

	1930 $	1931 $
Ord. ins. issued (net)	48,039,583	39,014,585
Indus. ins. issued	53,658,764	52,345,426
Grp. ins. issued (net)	5,4[illegible],677	3,741,899
Total ins. issued	107,189,024	95,101,910
Or. ins. in fce. (n.)	255,507,574	266,999,512
Ind. ins. in force	147,489,632	156,584,274
Grp. ins. in fce. (n.)	36,703,394	37,623,632
Total ins. in force	439,700,600	461,207,418
Incr. in amt. of ins. in force	32,372,969	21,506,818

London Ranks High As Bank Centre

London is the fifth bank centre in Ontario and the fourteenth in Canada judged from the 1931 figures for bank clearings. Bank clearings follow:

1908	$ 56,785,041
1910	67,154,567
1915	89,774,787
1920	192,157,969
1921	161,956,960
1922	147,788,000
1923	147,787,996
1924	140,877,932
1925	136,640,609
1926	142,856,910
1927	167,984,864
1928	180,871,281
1929	183,917,736
1930	168,047,076
1931	145,511,234

Net premium income over a six-year period has been as follows:

1926	$ 7,980,526	1929	$11,809,534
1927	9,162,102	1930	13,063,540
1928	10,529,062	1931	13,775,270

In the same period the total amount paid to policyholders or heirs, in the form of death claims (in all divisions), matured endowments, disability claims, annuities, surrender values and policyholders' profits, has been as follows:

1926	$2,393,607	1929	$4,690,350
1927	2,726,507	1930	5,832,700
1928	3,806,971	1931	6,554,040

Percentage analysis of London Life assets in its life branch at ledger value as at Dec. 31, 1931, and 1930, follows:

	1931	1930
Bonds:		
Government	7.2	7.1
Municipal	9.9	12.4
Other	3.0	2.9
Total bonds	20.1	22.4
Stocks:		
Common	1.6	1.5
Mortgages	65.6	64.9
Real estate	1.2	1.2
Policy loans	11.5	10.0
Other asseths	..	..
	100.0	100.0

The net average interest earned upon invested assets in 1931 was 6.455 per cent as compared with 6.46 per cent in the previous year.

The company still is under the capable management of veterans of the insurance world. The president, John G. Richter was appointed general manager as long ago as 1883, being succeeded in that office in 1920 by Edward E. Reid.

Officers are: J. G. Richter, F.A.S., president; J. Edgar Jeffrey, vice-president; Edward E. Reid, A.I.A., managing director; J. S. Lovell, F.C.I.S., secretary; J. D. Buchanan, F.A.S., actuary; Angus Graham, M.D., medical director; J. F. Maine, superintendent industrial agency; J. G. Stephenson superintendent ordinary agency.

Directors are: J. G. Richter, G. Eric Reid, A. C. Spencer, J. Edgar Jeffery, T. W. Baker, William Gorman, C. L. Jeffery, A. McPherson, and Edward E. Reid, all of London, Ont.

SUPERTEST PETE EXPANDS ITS SALES IN DEPRESSION ERA

Large Canadian Oil Co. Reported Record Earnings in 1931

Supertest Petroleum Corp., which owns and operates a number of well equipped storage stations and owns or controls over 500 service stations at strategic points in Ontario and Quebec, has its office in London. It was incorporated under Ontario laws in 1925 to acquire and consolidate several individual companies handling Supertest Petroleum products such as gasoline and lubricating oils. In 1926 the company took over the Ensign Oil Co. of Montreal.

During its history the company has had almost a continuous increase in sales and it was able even in 1931 to show record earnings despite the decrease in the price of gasoline and the lower profit margin on unit sales. Operating costs were reduced to a minimum. The company has continued a conservative expansion programme during 1931 and 1932.

Supertest does not make public its balance sheet or profit and loss statement. It has no funded debt and its outstanding capitalization is as follows: $345,000 Class "A" preferred stock, $200,000 Class "B" preferred stock, 25,000 no par value common shares and 85,000 no par value ordinary shares. The company is now consolidating rapid expansion of recent years.

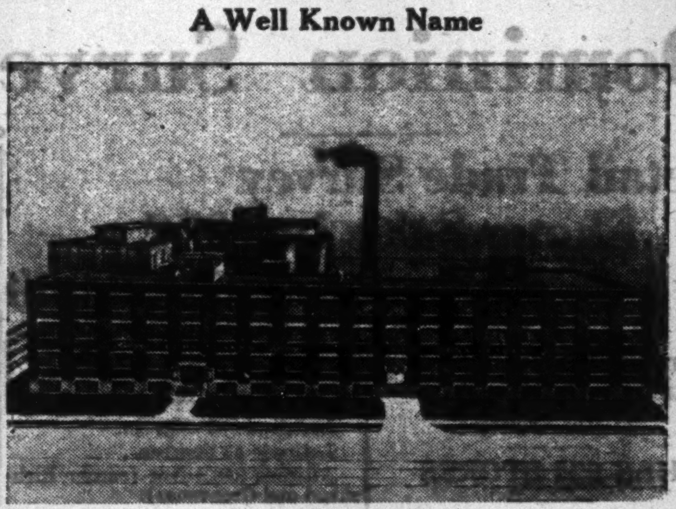
Large Scotian Apple Crop

The report of S. B. Marshall, chief fruit and vegetable inspector of the Province of Nova Scotia for the year 1931, states that this province raised a tree-run apple crop of 1,609,928 barrels, with a total commercial yield of 1,426,147 barrels, and exported to the apple markets of the world 1,211,650 barrels.

Has 70,428 Dwellings

According to the last census, New Brunswick has 70,428 dwellings.

A Well Known Name



The plant of Kellogg Co. of Canada Ltd. adds other nationally known products to London's list of manufactures.

Small Fruits Favored

Horticultural officials and growers express the opinion that prospects for the small fruit crop in New Brunswick this summer are favorable. Strawberries form the bulk of these and the plants have come through the season well.

Western Fair
LONDON, ONTARIO
September 12—17, 1932
A visit to the Western Fair will amply repay you in Education, Pleasure and Profit.
Plan Your Trip Now!
$40,000 IN PRIZES AND ATTRACTIONS
J. H. SAUNDERS, President
W. D. JACKSON, Secretary
ENTRIES CLOSE SEPTEMBER FIRST

REBUILD . . . .
your diminished estate with insurance
Consult one of our representatives on your life insurance requirements.
Northern Life
Established 1897 . . Head Office . . London, Ontario

An Earnest Effort
To Be More Than
A Corporate Trustee
To Those With Whom
We Come In Contact
Efficient Service in any Trust Capacity
Established 1896
The
London & Western Trusts
Company Limited
London
Toronto - Winnipeg - Saskatoon - Calgary - Vancouver

Dominion Survey Analyzes Retail Trade

Retail Trade Survey Shows Sales in 1930 Exceeded $35,000,000

Dominion Bureau of Statistics Makes First Trade Census

HAS 994 STORES

Independents Do Large Share of Business; Service Group is Important

Retail trade in London during 1930 attained a volume of over $35,000,000 according to a new census of merchandising and trade establishments just completed by the Dominion Bureau of Statistics. The survey shows 994 retail stores with sales of $31,857,900 and 373 service establishments with gross receipts of $3,447,800. These enterprises employed a total of 4,591 people on a full or part-time basis and paid salaries and wages totalling $4,938,500. The retail stores carried inventories of merchandise amounting to $4,677,800 at the end of 1930.

This study of London's retail trade gives a summary of both the principal service and retail merchandising outlet by classes; gives an itemized statement of the various types of business operating under the different classifications and shows the types of organization. In retail merchandising single store independents operate 789 stores which had net sales of $20,475,300 or 66 per cent of the retail business done. Sectional and national chains operated 102 stores and had net sales of $6,384,200.

The bulletin presents preliminary figures for certain salient features of the census. It is intended to issue eventually more comprehensive analyses, including data on full and part-time employees, seasonal employment, proprietors with and without fixed salaries, credit, cash and installment sales, breakdown of commodity sales (i.e., typical distribution of sales by commodity items and groups), expenses, capital employed and distribution of ownership.

Food Stores Lead

The largest number of stores and the largest volume of business were reported for the food group, where 378 establishments had sales of $9,067,300. In addition to sales made by these food stores, bakeries and dairies which report to the Census of Industry had retail sales of $1,200,000. The food stores in London employed 831 persons and paid them $682,600 for the year. The automotive group was second in volume of business as the 123 reporting firms had sales of $5,900,100. The 16 dealers in motor vehicles accounted for $3,942,800 of this total. There were 519 employees in the automotive group and the pay roll was $717,700.

In the apparel group there were 129 stores which employed 480 persons who received $560,500. The sales for this group were $4,394,500. The general merchandise group (which includes department stores) had sales of $3,471,900 for the 30 reporting establishments. The 46 dealers in lumber and building materials had sales of $1,553,200 while the 22 stores in the furniture group did a business of $1,203,200. There were 52 establishments in the restaurant group, employing 232 persons, paying $211,300 as salaries and wages, and having receipts of $882,400.

Theatres Lead Service Group

In the service field there were 373 establishments in London and their receipts for 1930 totalled $3,447,800. These service establishments employed 907 persons (including full-time and part-time employees and proprietors and firm members receiving a fixed salary) who received $921,200 as salaries and wages. The largest receipts were reported for the amusements group, in which 6 motion picture houses had receipts of $681,300 out of a total of $838,200. The 20 establishments in the amusements group employed 168 persons in 1930 and paid them $173,000.

The domestic service group was second in volume of business with receipts of $665,200, to which the 30 laundries contributed $336,700. The payroll for this group was $278,700 and the number of employees 307. Other important service groups are the repair and service shops with $379,700 receipts, 99 employees and a payroll of $100,800; the personal service group with $334,300 receipts, 131 employees and a payroll of $113,800. In this group there were 77 barber shops reporting a business of $188,200. The cartage and storage business in London amounted to $133,900 in 1930.

Besides giving figures for establishments by kind of business, this report shows the type of organization for all establishments and also for particular groups in which chain stores do a considerable part of the business. Of the 994 retail merchandising establishments, 789 were single store independents and 52 were single stores in co-operative buying organizations. These independent stores did more than two-thirds of the business in London. There were 35 two-store multiples, 12 three-store multiples, 4 units of local chains, 50 units of sectional chains and 52 branches of national chains.

In the grocery field there were 162 single store independents and 48 stores in co-operative buying organizations. These independents had sales of $3,788,500 compared with $1,835,700 for sectional and national chains.

Practically all the 373 service establishments were under independent operation. There were 12 units of local multi-units and 11 branches of sectional and national chains.

Figures for hotel operations were also secured in connection with this census. The 12 hotels in London reported 574 guest rooms, 180 employees, a payroll of $155,672 and total receipts of $620,062.

Where is London?

Longitude 81 degrees.

Latitude 43 degrees.

Altitude 848.8 feet (corner Richmond and Grosvenor).

Midway between Toronto and Detroit.

Midway between Buffalo and Detroit.

23 miles from Lake Erie, connected by its own railway.

98 miles from Cleveland.

443 miles from Montreal.

582 miles from New York.

1,313 miles from Winnipeg.

On the Kng's Highways, No. 2, No. 4, and No. 22.

London Retail Sales Are Analyzed for 1930

Summary of Principal Retail Merchandising Groups

	Number of stores	†Number of employees	Salaries and wages $	Net sales (1930) $	Stocks on hand, end of year (at cost) $
Automotive	123	519	717,700	5,900,100	422,700
Food	378	831	682,600	9,067,300	523,200
General merchandise	30	617	591,300	3,471,900	871,400
Apparel	129	480	560,500	4,394,500	1,172,300
Lumber	46	193	235,100	1,553,200	417,200
Furniture	22	112	145,100	1,203,200	244,700
Restaurant	52	232	211,300	882,400	14,100
All other stores	214	700	873,700	5,385,300	1,012,200
Total	994	†3,684	4,017,300	*31,857,900	4,677,800

†The number of employees includes those working both full time and part time and also proprietors and firm members receiving a fixed salary, therefore, the amount of salaries and wages represents the total wages bill. The figures given do not provide a basis for correctly computing average wages, average sales per employee, or rate of stock turn. In later reports the data will be presented in greater detail and more accurate computations may be made.

*To these sales may be added $340,700 retail sales made by wholesalers in London.

Types of Organization For Retail Merchandising

	Number of establishments	Number of employees	Salaries and wages $	Receipts (1930) $	Stocks on hand, end of year (at cost) $
Single independent establishments	350	687	657,700	2,082,600	47,200
Local multi-units	12	96	118,000	348,800	......
Sectional chains	4	28	24,100	129,600	......
National chains	7	96	121,400	886,800	......
All establishments, total	373	907	921,200	3,447,800	47,200

Types of Organization For Retail Services

	Number of stores	Number of employees	Salaries and wages $	Net sales (1930) $	Stocks on hand, end of year (at cost) $
All stores, total	994	3,684	4,017,300	31,857,900	[illegible]
Single store independents	789	2,366	2,598,900	20,475,300	[illegible]
Single store independents in co-operative buying organizations	52	156	156,800	2,179,900	[illegible]
Two-store multiples	35	296	439,900	2,268,000	[illegible]
Three-store multiples	12	42	52,800	244,200	[illegible]
Local chains	4	24	22,100	306,800	[illegible]
Sectional chains	50	349	342,300	3,062,500	[illegible]
National chains	52	421	404,000	3,321,700	[illegible]
Grocery stores:					
Single store independents	162	178	127,100	2,457,800	[illegible]
Single store independents in co-operative buying organizations	48	95	79,800	1,330,700	[illegible]
Local multi-units	6	15	13,800	177,600	[illegible]
Sectional chains	7	75	57,700	1,083,000	[illegible]
National chains	15	68	58,100	752,700	[illegible]
Drug stores:					
Independents, single and multiple	21	81	92,900	582,300	[illegible]
Sectional and national chains	4	20	33,000	229,300	[illegible]
Restaurants:					
Independents, single and multiple	45	180	168,200	703,200	[illegible]
Sectional and national chains	7	52	43,100	179,200	[illegible]
Filling stations:					
Single store independents	28	44	40,600	468,800	[illegible]
Sectional and national chains	24	78	88,400	402,500	[illegible]

Chief Retail Merchandise Outlets in London, 1930

Kind of Business	Number of stores	Net sales (1930)
General merchandise group, total	30	3,471,900
Department and general stores over $100,000	4	1,954,400
Dry goods stores	13	190,300
General stores with grocery depts.	4	68,500
General stores without grocery depts.	6	1,258,700
Variety, 5 & 10, and to-a-dollar stores	3	
Clothing and apparel group, total	129	4,394,500
Men's and boys' clothing	5	181,600
Hats and caps (men's and boys')	1	1,126,300
Men's furnishings	3	
Men's clothing and furnishings	23	
Clothing stores	8	746,100
Children's spec. shops	3	1,158,800
Women's ready-to-wear	25	
Millinery	14	137,000
Furriers—fur shops	3	187,500
Custom tailors	11	
Hosiery shops	4	15,800
Lingerie shops	1	
Knit goods	6	45,800
Shoe stores	22	795,600
Furniture and household group, total	22	1,203,200
China, glassware, etc.	3	113,600
Floor coverings	1	
Furniture stores	9	835,300
Household appliances	5	224,800
Other household furnishings	4	29,500
Food group, total	378	9,067,300
Bakeries	10	*173,100
Candy stores	2	285,700
Confectionery and fruit stores	3	
Confectionery stores (ice cream)	22	
Eggs and poultry	1	†287,600
Milk dealers	11	
Fruits & vegetables	26	248,900
Grocery stores without meat depts.	188	3,931,200
Grocery stores with meat depts.	50	1,870,600
Meat markets	30	672,800
Meat markets with groceries	24	1,394,100
Fish markets	3	
Coffee, tea, spices	4	185,700
Delicatessen stores	3	17,700
Food stores with non-food depts.	1	
Lumber and building group, total	46	1,553,200
Lumber and building materials	7	684,800
Roofing materials	1	
Hardware stores	14	420,700

Kind of Business	Number of stores	Net sales (1930)
Electrical stores	5	[illegible]
Heating appliances and oil burners	5	[illegible]
Plumbing, heating, ventilating	9	[illegible]
Paint & glass stores	5	[illegible]
Restaurant group, total	52	[illegible]
Restaurants	26	[illegible]
Lunch counters	8	[illegible]
Lunch rooms	18	
Soft drink stands	6	[illegible]
Automotive group, total	123	[illegible]
Motor vehicles	16	[illegible]
Used car establishments	5	[illegible]
Accessories, tires and batteries	8	[illegible]
Tire shops	1	
Filling stations	34	[illegible]
Filling stations (with accessories)	18	[illegible]
Garages	37	[illegible]
Bicycles & motorcycles	4	[illegible]
Other retail stores, total	195	[illegible]
Books, periodicals and stationery	6	[illegible]
Coal and wood	34	[illegible]
Drug stores without fountain	18	[illegible]
Drug stores with fountain	7	[illegible]
Feed stores	7	[illegible]
Farm implements and machinery	3	
Florists	11	[illegible]
Jewellery stores	14	[illegible]
Harness shops	3	[illegible]
Luggage & leather goods	2	
Other retail stores, total (continued)	195	[illegible]
Musical instruments and music	1	[illegible]
Musical instruments and radio	3	
Electrical & radio	6	[illegible]
Office & school supp.	4	[illegible]
Opticians	6	[illegible]
Scientific and medical instruments	3	
Seeds, bulbs and nursery stock	4	[illegible]
Sporting goods stores	4	[illegible]
Tobacco stores and news stands	18	[illegible]
Tobacco stands	2	[illegible]
Tobacco stores without foods	9	
Tobacco stores with foods	10	[illegible]
Not otherwise specified	26	[illegible]
Secondhand group, total	19	[illegible]
Furniture	8	[illegible]
Other secondhand stores	11	103,200

* In addition 28 bakeries which report to the Census of Industry had retail sales of $849,244.

† In addition 4 dairies which report to the Census of Industry had retail sales of $362,554.

Service Establishments Do Substantial Business

Summary of Principal Service Groups

	Number of establishments	†Number of employees	Salaries and wages $	Receipts (1930) $	Stocks on hand, end of year (at cost) $
Amusements	20	168	173,000	838,200	[illegible]
Cartage and storage	14	33	33,800	133,900	......
Domestic	66	307	278,700	665,200	......
Personal	120	131	113,800	334,300	[illegible]
Photography	11	18	15,300	65,600	[illegible]
Repair	107	99	100,800	379,700	22,100
Transportation	8	16	17,900	33,000	100
All other establishments	27	135	187,900	997,900	19,100
Total	373	907	921,200	3,447,800	47,200

†The number of employees includes those working both full time and part time and also proprietors and firm members receiving a fixed salary, therefore, the amount of salaries and wages represents the total wages bill. The figures given do not provide a basis for correctly computing average wages, average sales per employee, or rate of stock turn. In later reports the data will be presented in greater detail and more accurate computations may be made.

The Canadian Woodmen of the World

Organized 1893

Clear surplus over all liabilities in all departments of over $360,000, after setting aside a special reserve of $125,000.

Issued the Following Forms of Policies:
Endowment at 65, or prior death,
Twenty Year Endowment,
Double Benefit Policy, fully paid up at 65,
Twenty Payment Life, Whole Life,
Twenty Year Term,
Sick, Accident, Funeral Benefits and
Juvenile Insurance.

Assets, $1,918,487.24
Paid in Benefits, nearly $2,000,000.
Policies issued in amounts up to $5,000.
Sick and Accident Benefits up to $10.00 per week.
Funeral Benefits up to $100.00.
All on adequate rates.

CLAIR JARVIS, *Head Consul Commander.*

Head Office, LONDON, Canada